

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

- Item 1. Name and Address of Company  
Neo Performance Materials Inc.  
121 King Street West, Suite 1740  
Toronto, Ontario M5H 3T9
- Item 2. Date of Material Change  
December 8, 2017
- Item 3. News Releases  
A press release in the form of Schedule A attached hereto was disseminated on December 8, 2017 via Nasdaq news service.
- Item 4. Summary of Material Change  
Neo Performance Materials Inc. (the "**Company**") has announced the successful closing of its previously announced initial public offering by way of secondary offering (the "**Offering**") of common shares of the Company (the "**Common Shares**"), by the Company's majority shareholder, OCM Neo Holdings (Cayman), L.P. (the "**Selling Shareholder**"), an affiliate of certain funds and accounts managed by Oaktree Capital Management, L.P. The Selling Shareholder sold 11,115,000 Common Shares under the Offering at a price of \$18.00 per share for total gross proceeds to the Selling Shareholder of \$200,070,000.  
  
The Common Shares will commence trading today on the Toronto Stock Exchange under the symbol "NEO".
- Item 5. Full Description of Material Change  
5.1 Full Description of Material Change  
See Schedule A attached.  
5.2 Disclosure for Restructuring Transactions  
Not applicable.
- Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102  
Not applicable.
- Item 7. Omitted Information  
Not applicable.

Item 8. Executive Officer

The following officer of the Company may be contacted for further information:

Alex Caldwell, Corporate Secretary and VP, Administration

Neo Performance Materials Inc.

(416) 367-8588

[inquiries@neomaterials.com](mailto:inquiries@neomaterials.com)

Item 9. Date of Report

This report is dated this 8<sup>th</sup> day of December, 2017.

## NEO COMPLETES INITIAL PUBLIC OFFERING

### NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

**Toronto, Canada – December 8, 2017:** Neo Performance Materials Inc. (the "**Company**") today announced the successful closing of its previously announced initial public offering by way of secondary offering (the "**Offering**") of common shares of the Company (the "**Common Shares**"), by the Company's majority shareholder, OCM Neo Holdings (Cayman), L.P. (the "**Selling Shareholder**"), an affiliate of certain funds and accounts managed by Oaktree Capital Management, L.P. The Selling Shareholder sold 11,115,000 Common Shares under the Offering at a price of \$18.00 per share for total gross proceeds to the Selling Shareholder of \$200,070,000.

The Common Shares will commence trading today on the Toronto Stock Exchange under the symbol "NEO".

The Offering was made through a syndicate of underwriters led by Scotiabank and RBC Capital Markets acting as joint bookrunners, and Cormark Securities Inc. acting as co-lead underwriter, and includes CIBC World Markets Inc., Barclays Capital Canada Inc., Canaccord Genuity Corp., GMP Securities L.P. and Raymond James Ltd.

The underwriters were granted an over-allotment option (the "**Over-Allotment Option**") to purchase up to an additional 1,667,250 Common Shares from the Selling Shareholder, at a price of \$18.00 per share for additional gross proceeds of approximately \$30,010,500 if the Over-Allotment Option is exercised in full. The Over-Allotment Option can be exercised for a period of 30 days from the closing date of the Offering.

No securities regulatory authority has either approved or disapproved the contents of this news release. The common shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws. Accordingly, the common shares may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### **About Neo Performance Materials**

Neo Performance Materials is a global leader in the innovation and manufacturing of rare earth- and rare metal-based functional materials, which are essential inputs to high technology, high growth, future-facing industries. The business of the Company is organized along three segments: Magnequench, Chemicals & Oxides and Rare Metals. The Company is headquartered in Toronto, Ontario, Canada; with corporate offices in Greenwood Village, Colorado, US; and Beijing, China. The Company operates globally with sales and production across 10 countries, being Japan, China, Thailand, Estonia, Singapore, Germany, United Kingdom, Canada, United States, and South Korea. For more information, please visit [www.neomaterials.com](http://www.neomaterials.com).

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