



NEWS RELEASE

NEO PERFORMANCE MATERIALS INC. FILES FINAL PROSPECTUS AND ANNOUNCES PRICING OF INITIAL PUBLIC OFFERING

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Toronto, Canada – December 4, 2017: Neo Performance Materials Inc. (the "**Company**") announced today that it has obtained a receipt for its final prospectus filed with the securities regulatory authorities in each of the provinces and territories of Canada in respect of its previously announced proposed initial public offering (the "**Offering**") of common shares of the Company ("**Common Shares**"), and has entered into an underwriting agreement with respect to the Offering.

The Offering contemplates a secondary offering of 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. Pursuant to the underwriting agreement, the Selling Shareholder has agreed to sell an aggregate of 11,115,000 Common Shares at a price of \$18.00 per share, for total gross proceeds to the Selling Shareholder of \$200,070,000. The Company will not receive any proceeds from the Offering.

The Offering is being 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 have also been 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 \$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.

In addition, prior to filing the final prospectus, the Company and Neo Cayman Holdings Ltd. ("**Neo Cayman**") completed a Cayman Islands scheme of arrangement (the "**Arrangement**") pursuant to which the Company acquired all of the outstanding ordinary shares of Neo Cayman in exchange for an aggregate of 39,878,383 Common Shares, a portion of which constitute the Common Shares being offered for sale to the public in the Offering. Following the completion of the Arrangement, Neo Cayman is a wholly-owned subsidiary and the Company will carry on the business of Neo Cayman as such business was carried on prior to the Arrangement.

The closing of the Offering is expected to occur on December 8, 2017, subject to customary closing conditions, at which time the Common Shares will commence trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "NEO". The TSX has conditionally approved the listing of the Common Shares, subject to fulfilling customary TSX requirements. A copy of the final prospectus is available on SEDAR at www.sedar.com.

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.



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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.

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