

## China's Patent Re-Examination Board Again Rules in Favour of Neo Performance Materials in Invalidating Patent Claims for Vehicle Emissions Catalyst Products

**TORONTO, Canada**, October 10, 2018 – Neo Performance Materials Inc. and Zibo Jiahua Advanced Material Resources Co., Ltd (collectively “**Neo**”, “the **Company**”) (TSX:NEO), a global leader in the innovation and manufacturing of rare earth and rare metal-based functional materials, is pleased to report that the Patent Reexamination Board (“**PRB**”) of the State Intellectual Property Office of China (“**SIPO**”) has ruled for the second time this year in favour of Neo by invalidating all product claims associated with patent ZL 200710146613.6, held by Daiichi Kigenso Kagaku Kogyo Co. (“**DKKK**”). In light of the favourable ruling by the PRB, Neo intends to seek dismissal of a pending lawsuit by DKKK and Rhodia Operations S.A.S, an affiliate of Brussels-based Solvay (“**Rhodia**”) alleging infringement of patent ZL 200710146613.6 before the Shandong Zibo Intermediate People’s Court.

The invalidated patent relates to certain vehicle emissions catalyst products, which Neo produces to help vehicle manufacturers and consumers reduce emissions from vehicle exhaust systems. Global demand for these catalysts is growing, particularly in China, and Neo supplies innovative and highly efficient rare earth-based materials to all three of the world’s leading emissions catalyst manufacturers.

The patent invalidation by the PRB, which is subject to DKKK’s right of appeal, is the second of two successful challenges this year filed by Neo before the PRB on automotive vehicle catalyst patents. In April 2018, the PRB ruled in Neo’s favour when it invalidated all product claims associated with patent ZL 03817110.4, held by Rhodia. In addition to the successful challenge of ZL 03817110.4 at the PRB, Neo also succeeded in securing a dismissal of Rhodia’s pending lawsuit alleging infringement of that patent before the Shandong Zibo Intermediate People’s Court.

The European equivalent to DKKK’s Chinese patent ZL 03817110.4, known as European Patent 1894620, also is being challenged by Neo, and a final decision by the European Patent Office on that challenge is expected later this year.

Geoff Bedford, Neo’s President and CEO, said in response to the PRB ruling: “We are pleased to see the PRB’s continuing commitment to invalidate patent claims that do not meet patentability standards, and to uphold legitimate intellectual property rights. We will continue to defend our auto catalyst products, and our customers’ ability to access those products, in China and in other jurisdictions. More important, we are proud to be working so closely with our customers to develop innovative rare-earth-based vehicle emissions catalyst products that help vehicle manufacturers meet increasingly stringent air pollution standards.”

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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](http://www.neomaterials.com).

### **Cautionary Note Regarding Forward-Looking Information**

This press release includes forward-looking information. Each statement containing forward-looking information contained in this press release is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statement, including, without limitation, risks identified under the heading "Risk Factors" in our Annual Information Form for the fiscal year ended December 31, 2017 and filed with the securities commissions or similar securities regulatory authorities in each of the provinces and territories of Canada. We caution investors not to rely on the forward-looking information contained in this press release when making an investment decision in our securities. The forward-looking information in this press release speak only as of the date of this release, and we undertake no obligation to update or revise any of these statements.

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