



NEWS RELEASE

Neo Performance Materials Announces Closing of Asia Magnets Acquisition

TORONTO, Canada – August 26, 2019: Neo Performance Materials Inc. ("**Neo**", the "**Company**") [TSX: **NEO**] is pleased to announce that it has completed the previously announced acquisition of the assets of Anhui Asia Magnets Co., Ltd. ("**SAMAG**"), a privately-owned manufacturer of compression molded neodymium-iron-boron ("**NdFeB**") bonded magnets.

Among the assets acquired is a new production facility in Chuzhou, China (west of Shanghai), which was built in 2016 and recently enhanced by a US\$2.9 million capacity expansion, including the installation of new manufacturing equipment and additional production footprint. This acquisition will allow Neo's Magnequench business unit to accelerate its strategy to expand into compression molded magnet production.

The purchase price of SAMAG's assets was 68.5 million RMB (US\$9.7 million), plus working capital.

SAMAG was founded by Gao Qingguo, a 20-year veteran of the bonded NdFeB magnet industry, who has joined Neo as General Manager of the Chuzhou facility.

Neo Magnequench is the global market leader in magnetic powders for high-performance NdFeB magnets, which are critical to supporting the rapid growth of high-efficiency micro motors and sensors used in automobiles, home appliances, industrial automation, and other applications. NdFeB magnets deliver more power and greater efficiency to these applications, which in turn can reduce operational costs, energy and fuel consumption, and harmful air emissions.

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Source: Neo Performance Materials. \$NEO @NeoMaterials #magnequench #neomaterials #NdFeB #magnets #neodymium #praseodymium #bondedmagnets #SAMAG

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.

Cautionary Statements Regarding Forward Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information may relate to future events or future performance of Neo. All statements in this release, other than statements of historical facts, with respect to Neo's objectives and goals, as well as statements with respect to its beliefs, plans, objectives, expectations, anticipations, estimates, and intentions, are forward-looking information. Specific forward-looking statements in this discussion include, but are not limited to expectations regarding Neo's ability to better serve existing and future customers through this acquisition. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Neo believes the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this discussion and analysis should not be unduly relied upon. For more information on Neo, investors should review Neo's continuous disclosure filings that are available under Neo's profile at www.sedar.com.

Information Contacts

Ali Mahdavi
Investor Relations
(416) 962-3300
Email: a.mahdavi@neomaterials.com

Jim Sims
Media Relations
(303) 503-6203
Email: j.sims@neomaterials.com

Website: www.neomaterials.com
e-mail: info@neomaterials.com