

Form 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 - Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to common shares (“**Common Shares**”) of Neo Performance Materials Inc. (the “**Issuer**”).

The Issuer’s head office address is as follows:

121 King Street West, Suite 1740
Toronto, Ontario
M5H 3T9

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable

Item 2 - Identity of the Acquiror

2.1 State the name and address of the acquiror.

Oaktree Capital Management, L.P. (“**Oaktree**”)
333 S. Grand Ave., 28th Floor
Los Angeles, California
United States of America 90071

Oaktree is a limited partnership formed under the laws of the State of Delaware. Its principal business is to act as an alternative asset manager.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On October 13, 2022, Oaktree through OPPS NPM SARL (“**OPPS NPM**” or the “**Selling Shareholder**”), a fund affiliated with Oaktree, sold 8,974,127 Common Shares (the “**Subject Shares**”) to Hastings Technology Metals Limited (“**Hastings**”) at a price of CAD\$15.00 per Subject Share (the “**Purchase Price**”), pursuant to the terms of a share purchase agreement dated as of August 25, 2022 (the “**Share Purchase Agreement**”) between OPPS NPM and Hastings (the “**Transaction**”).

2.3 State the names of any joint actors.

Not applicable.

Item 3 - Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

Immediately prior to entering into the Share Purchase Agreement, Oaktree (through the Selling Shareholder) beneficially owned or controlled, directly or indirectly, 9,878,155 Common Shares (including the Subject Shares), representing approximately 24.3% of the issued and outstanding Common Shares, with the Subject Shares representing approximately 22.1% of the issued and outstanding Common Shares (assuming the number of issued and outstanding Common Shares on a non-diluted basis as at the date thereof being 40,681,902).

Following the announcement of the Transaction, on September 16, 2022, the Issuer announced the completion of a bought deal treasury offering of Common Shares pursuant to which an aggregate of 4,506,734 Common Shares were issued to subscribers (the "**Offering**"). As a result, prior to the completion of the Transaction (and taking into account the completion of the Offering), the 9,878,155 Common Shares (including the Subject Shares) held by Oaktree represented approximately 21.86% of the issued and outstanding Common Shares (or approximately 21.71% of the issued and outstanding Common Shares on a fully diluted basis), with the Subject Shares representing approximately 19.86% of the issued and outstanding Common Shares (or approximately 19.72% of the issued and outstanding Common Shares on a fully diluted basis) (assuming the number of issued and outstanding Common Shares on a non-diluted basis as of the Closing (as defined below) is 45,188,636 and on a fully diluted basis as of the Closing is 45,507,789).

Following completion of the Transaction (the "**Closing**"), Oaktree (through the Selling Shareholder) beneficially owns and controls, directly or indirectly, 904,028 Common Shares, representing approximately 2.00% of the issued and outstanding Common Shares (or approximately 1.99% of the issued and outstanding Common Shares on a fully diluted basis) (assuming the number of issued and outstanding Common Shares on a non-diluted basis as of the Closing is 45,188,636 and on a fully diluted basis as of the Closing is 45,507,789).

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

See Item 3.1 above.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

- 3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

See Item 3.1 above.

- 3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which:**

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,**

See Item 3.1 above.

- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 - Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Pursuant to the Transaction and in accordance with the terms of the Share Purchase Agreement, Oaktree (through the Selling Shareholder) received CAD\$15.00 per Subject Share (the "**Per Share Purchase Price**") for aggregate consideration to the Selling Shareholder of \$134,611,905.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See Item 4.1 above.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

Item 5 - Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

Oaktree holds the Common Shares for investment purposes. Subject to compliance with applicable laws, Oaktree may determine to acquire additional Common Shares or dispose of Common Shares through market transactions, public offerings, private agreement or otherwise, depending upon the price of the Common Shares, market conditions, economic conditions and other factors.

Item 6 - Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

The Transaction was carried out pursuant to the terms of the Share Purchase Agreement. Pursuant to the Share Purchase Agreement, Hastings agreed to a post-closing purchase price adjustment payment in favour of the Selling Shareholder in the event that at any time commencing on the Closing and continuing for a period of twelve (12) months following the Closing, Hastings consummates one or more transactions that result in it owning, directly or indirectly, 50% or more of the issued and outstanding Common Shares of the Issuer at a purchase price that is higher than the Per Share Purchase Price (the "**Increased Price**"). In such event, Hastings agreed to pay to the Selling Shareholder the difference between the Per Share Purchase Price and the Increased Price in the highest of any such transaction(s) in respect of the Subject Shares. In addition, the Selling Shareholder has agreed to cause its nominees on the board of directors of the Issuer to resign as soon as possible following the Closing.

Item 7 - Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 - Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 - Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: October 14, 2022

OAKTREE CAPITAL MANAGEMENT, L.P.

By: (signed) "Brook Hinchman"
Name: Brook Hinchman
Title: Managing Director

By: (signed) "Jordan Mikes"
Name: Jordan Mikes
Title: Managing Director