



NEWS

Neo Provides Update on the Sale of its Majority Equity Interest in China Rare Earth Separation Assets

TORONTO, Canada, December 23, 2024 – Neo Performance Materials Inc. ("Neo") (TSX:NEO) announced today that the closing of the sale of its (i) 86% equity interest in Jiangyin Jiahua Advanced Material Resources Co., Ltd. ("JAMR") to Shenghe Resources Holding Co., Ltd ("Shenghe") for approximately USD\$25.6 million cash; and (ii) 100% of the equity in Zibo Jiahua Advanced Material Resources Co., Ltd. ("ZAMR") to Shenghe for approximately USD\$4.1 million cash (collectively, the "Transactions") is now expected to occur in Q1 2025, as opposed to Q4 2024 as was anticipated at the time the Transactions were announced in August 2024.

The delay in the timing for closing of the sale of Neo's interest in JAMR and ZAMR is related to the satisfaction of various local jurisdictional, administrative filings, registrations and approvals, and the parties anticipate receiving all required regulatory approvals from Chinese regulatory authorities and satisfying the applicable closing conditions to the Transactions in Q1 2025. In furtherance of the foregoing, Neo is in continuing discussions with Shenghe regarding the Transactions and the parties are working constructively to be responsive to commentary from applicable regulatory authorities with a view to obtaining all required regulatory approvals and satisfying the applicable closing conditions as soon as practicable in Q1 2025.

About Neo Performance Materials

Neo manufactures the building blocks of many modern technologies that enhance efficiency and sustainability. Neo's advanced industrial materials - magnetic powders and magnets, specialty chemicals, metals, and alloys - are critical to the performance of many everyday products and emerging technologies. Neo's products help to deliver the technologies of tomorrow to consumers today. Neo's business is organized into three segments: Magnequench, Chemicals & Oxides, and Rare Metals. Neo is headquartered in Toronto, Ontario, Canada; with corporate offices in Greenwood Village, Colorado, United States; Singapore; and Beijing, China. Neo has a global platform that includes 9 manufacturing facilities located in China, the United States, Germany, Canada, Estonia, Thailand and the United Kingdom, as well as one dedicated research and development centre in Singapore. For more information, please visit www.neomaterials.com.

Cautionary Statements Regarding Forward Looking Statements

This news release may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Generally, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof. Specific forward-looking statements in this news release include, but are not limited to, the completion of the Transactions and other matters relating thereto, including the anticipated timing of closing of the Transactions together with obtaining all required regulatory approvals from Chinese regulatory authorities and the satisfaction of applicable closing conditions. In making the forward-looking information in this news release, the Company has applied certain factors and assumptions that are based on its current beliefs as well as assumptions made by and information currently available to the Company. Although the Company considers these assumptions to be reasonable based on

information currently available to it, they may prove to be incorrect, and the forward-looking information in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking information. There are many risk factors associated with the completion of the Transactions. A number of factors could cause actual results to differ materially from those anticipated by the Company, including but not limited to the risks and uncertainties inherent in the nature of the Transactions including the failure to obtain necessary regulatory approvals, or to otherwise satisfy the conditions of the Transactions, in a timely manner by the outside date or at all, risks of a material adverse change the Company's assets or revenues, or risks of unknown liabilities that may arise.

Readers are cautioned not to place undue reliance on forward-looking information. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by law. For more information on Neo, investors should review Neo's continuous disclosure filings that are available under Neo's profile at www.sedarplus.ca.

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