

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

NEO Battery Materials Ltd. (“NEO” or the “Company”)
10th Floor, 4711 Yonge Street, Toronto, ON M2N 6K8.

Item 2 Date of Material Change

The material change occurred on October 28, 2024.

Item 3 News Release

A press release in connection with the material change was issued by the Company on October 28, 2024 and filed on <https://www.sedarplus.ca/> and as attached hereto as Schedule “A”.

Item 4 Summary of Material Change

October 28, 2024: NEO Battery Materials Announces Closing of Non-Brokered Private Placement

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See the attached news release of the Company for a full description of the material change.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information with respect to this report, please contact Spencer Huh, Director, President and CEO of the Company, at (437)-451-7678.

Item 9 Date of Report

October 31, 2024.

Schedule “A”

NEO Battery Materials Announces Closing of Non-Brokered Private Placement

Toronto, Ontario – October 28, 2024

NEO Battery Materials Ltd. (“NEO” or the “Company”) (TSXV: NBM) (OTC: NBMFF), a low-cost silicon anode materials developer that enables longer-running, rapid-charging lithium-ion batteries, is pleased to announce that it has closed the non-brokered private placement (the “Offering”) of 2,000,000 units (the “Units”) of the Company at the price of \$0.40 CAD per Unit (the “Offering Price”) for gross proceeds of \$800,000 CAD.

Each Unit consists of one common share of the Company (each, a “Common Share”) and one-half of one non-transferable Common Share purchase warrant (each, a “Warrant”). Each whole Warrant will be exercisable to acquire one Common Share of the Company at an exercise price of \$0.75 CAD for a period of 24 months from the closing date of the Offering.

NEO intends to use the proceeds from this financing for research and development activities of the Company’s silicon anode technology and general working capital purposes. No finders’ fees will be paid in connection with the Offering, and the Common Shares are subject to a four month plus one day hold period from the date of issuance. The Offering is not a Related Party Transaction as defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) and therefore is not subject to TSXV Policy 5.9. The Offering is subject to final acceptance of the TSXV.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”) or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities law, or an exemption from such registration requirements is available.

About NEO Battery Materials Ltd.

NEO Battery Materials is a Canadian battery materials technology company focused on developing silicon anode materials for lithium-ion batteries in electric vehicles, electronics, and energy storage systems. With a patent-protected, low-cost manufacturing process, NEO Battery enables longer-running and ultra-fast charging batteries compared to existing state-of-the-art technologies. The Company aims to be a globally-leading producer of silicon anode materials for the electric vehicle and energy storage industries. For more information, please visit the Company’s website at: <https://www.neobatterymaterials.com/>.

On Behalf of the Board of Directors

Spencer Huh

Director, President, and CEO

Tel: +1-437-451-7678

For Investor Relations, PR & More Information:
info@neobatterymaterials.com

This news release includes certain forward-looking statements as well as management's objectives, strategies, beliefs and intentions. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Generally, such forward-looking information can be identified notably, but not limited to, by the use of forward-looking terminology such as "plans", "expects," or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur", "be achieved", and similar words referring to future events and results. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: (i) volatile stock prices; (ii) the general global markets and economic conditions; (iii) the possibility of write-downs and impairments; (iv) the risk associated with the research and development of advanced technologies; (v) the risk associated with the effectiveness and feasibility of technologies that have not yet been tested or proven on commercial scale; (vi) the risks associated with entering into joint ventures, collaboration agreements, joint development agreements, and similar commercial agreements; (vii) fluctuations in input precursor prices; (viii) the risks associated with uninsurable risks arising during the course of research, development and production; (ix) competition faced by the resulting issuer in securing experienced personnel and financing; (x) access to adequate infrastructure to support battery materials research and development activities; (xi) the risks associated with changes in the technology regulatory regime governing the Company; (xii) the risks associated with the various environmental regulations the Company is subject to; (xiii) risks related to regulatory and permitting delays; (xiv) the reliance on key personnel; (xv) liquidity risks; (xvi) the risk of litigation; and (xvii) risk management, as described in more detail in our recent securities filings available at www.sedarplus.com. Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued research and development activities, no material adverse change in precursor prices and development plans to proceed in accordance with plans and such plans to achieve their stated expected outcomes, receipt of required regulatory approvals, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Such forward-looking information has been provided for the purpose of assisting investors in understanding the Company's business, operations, research and development, and commercialization plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. We assume no obligation to revise or update these forward-looking statements except as required by applicable law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.