

Neo Performance Materials to Expand NdFeB Magnet Manufacturing Capacity in Response to Increasing Demand

written by Raj Shah | August 18, 2020

August 18, 2020 ([Source](#)) – Neo Performance Materials Inc. (“**Neo**”, the “**Company**”) (TSX: [NEO](#)) is pleased to announce that, due to increased demand, its Magnequench segment intends to significantly expand its capacity to produce compression molded NdFeB (“neodymium-iron-boron”) magnets and assemblies, used in the automotive, electronics, home appliance and other industries.

Magnequench plans to expand its existing MQ1™ compression molded magnet production capacity at the two existing facilities where it currently manufactures these products: Tianjin and Chuzhou, China. Magnequench is the only supplier in the world that produces NdFeB magnetic powders and compounds, as well as compression molded NdFeB magnets and assemblies at multiple locations.

“Requests from all over the world for MQ1™ compression molded magnets have sharply increased since the initial expansion of our magnet production capacity with the acquisition last year of the SAMAG facility in Chuzhou,” said Greg Kroll, Executive Vice President of Magnequench. “Our commitment to expand capacity at both of our magnet production facilities reflects this increased demand and our commitment to serving our customers’ growing businesses.”

“This increase in demand for Magnequench’s value-added NdFeB

magnetic materials underscores the market confidence in the precision, quality, product development capabilities, and customer service that Neo provides to its customers,” said Constantine Karayannopoulos, Neo’s President and CEO. “It signals a welcome upward trend in demand for Magnequench magnets across multiple markets.”

Neo’s investment in this expansion is approximately US\$5 million and it is expected to be complete by late September 2020.

\$NEO @NeoMaterials #magnequench #neomaterials #NdFeB #magnets #permanentmagnets #neodymium #praseodymium

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. The business of Neo is organized along three segments: Magnequench, Chemicals & Oxides and Rare Metals. Neo is headquartered in Toronto, Ontario, Canada; with corporate offices in Greenwood Village, Colorado, US; Singapore; and Beijing, China. Neo 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, the following: expectations regarding certain of Neo's future results and information, including, among other things, revenue, expenses, sales growth, capital expenditures, and operations; statements with respect to current and future market trends that may directly or indirectly impact sales and revenue of Neo; expected use of cash balances; continuation of prudent management of working capital; source of funds for ongoing business requirements and capital investments; expectations regarding sufficiency of the allowance for uncollectible accounts and inventory provisions; analysis regarding sensitivity of the business to changes in exchange rates; impact of recently adopted accounting pronouncements; risk factors relating to intellectual property protection and intellectual property litigation; risk factors relating to national or international economies (including the impact of COVID-19), and other risks present in the jurisdictions in which Neo, its customers, its suppliers, and/or its logistics partners operate, and; expectations concerning any remediation efforts to Neo's design of its internal controls over financial reporting and disclosure controls and procedures. 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

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