

Joint Communiqué in Support of Expanding Valued-Added Rare Earth Product Manufacturing in Estonia

written by Raj Shah | November 17, 2021

Republic of Estonia Ministry of Economic Affairs and Communications *and* Neo Performance Materials

November 17, 2021 ([Source](#)) – A joint effort between the Estonian Ministry of Economic Affairs and Communications and Neo Performance Materials (TSX: [NEO](#)) has been launched to explore a possible expansion of Neo's current production of advanced rare earth element ("REE") products in Estonia, and well as to potentially launch new manufacturing of REE-based metals, alloys, and magnetic materials for use in electric vehicles and other green technologies. Statements by the participants in this joint communiqué follow.

Statement of Andres Sutt, Minister of Entrepreneurship and Information Technology:

"On behalf of the Ministry of Economic Affairs and Communications for Estonia, I would like to thank Neo Performance Materials for considering Estonia as its preferred location for expansion, as you are planning an investment to expand your production capacity of value-added rare earth products, including possibly establishing a new facility to make rare earth metals and magnetic materials, in Ida-Viru County.

"NPM Silmet has been a major contributor to the Estonian economy. Future investments of Neo as they have been introduced

to us by your team would not only support the creation of new jobs and higher value-added products and introduce new green technologies in Estonia but also facilitate a stronger and more autonomous rare earths and magnets value chain in the EU. We are also pleased with Neo's plans to incorporate material recycling and other environmentally beneficial processes in a new RE magnet manufacturing plant that it considers building, as this will help reduce life-cycle emissions and support a more circular economy in the EU. All of this is well aligned with EU's and our national strategic perspective and objectives.

"We therefore hope that Estonia will serve as an appropriate location for any RE magnet production facility that you are currently considering, which can significantly strengthen Estonia's and the EU's ability to provide the strategic materials needed for greater production in Europe of electric vehicles, renewable energy, and other green technologies, such as high efficiency motors. To support the delivery of the project, our Ministry together with the Estonian Investment Agency is promoting discussions across governmental organisations and at the EU level as well as raising awareness about available support mechanisms."

Statement by Constantine Karayannopoulos, Chief Executive Officer and Director of Neo Performance Materials:

"I want to express my sincere gratitude to Minister Sutt and to the Estonian Government for its willingness to partner with Neo as we examine the potential to expand our existing rare earth separations capacities and possibly establish manufacturing capabilities to produce rare earth metals, alloys, and magnetic materials. Such an expansion would involve significant new investment by Neo in Estonia, and the economics of such an expansion are challenging in today's market environment. But Neo very much looks forward to exploring potential partnerships

with Estonia and European Union institutions that can help make any such expansion a reality.

“On behalf of the several hundred employees we have in Sillamäe, let me express my sincere gratitude for the support that Estonia has provided to our operations in Estonia. Neo very much looks forward to continuing to contribute to Estonia’s and Europe’s job creation, decarbonization, and circular economy goals.”

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 communique 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 Neo's participation in the UN Global Company, its ability to successfully implement the PRI principles, and its commitment to make timely reports on its progress toward achieving these principles. 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.

SOURCE Neo Performance Materials, Inc. 

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