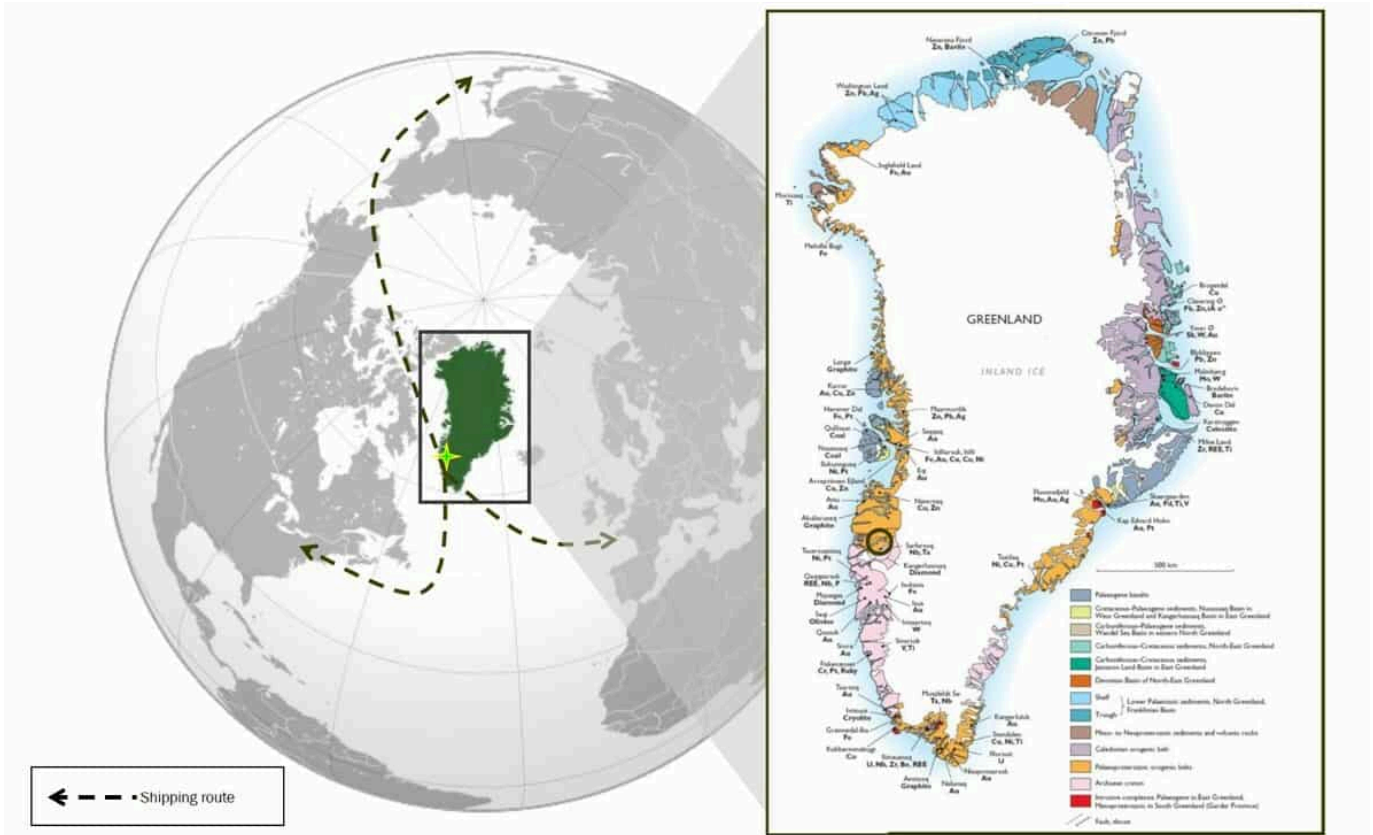


Neo Performance Materials and Hudson Resources Advance the Greenland Sarfartoq Rare Earth Project After Receiving Government Approval for License Transfer

written by Raj Shah | April 24, 2023

Project Expected to Help Feed Neo's Planned Rare Earth Permanent Magnet Production in Estonia for Electric Vehicle and Energy-Saving Specialized Motor Applications Markets in Europe

April 24, 2023 ([Source](#)) – Hudson Resources, Inc. (“Hudson” or the “Company”) (TSXV: [HUD](#)) (OTC: (HUDRF) and Neo Performance Materials Inc. (“Neo”, (TSX: [NEO.TO](#))) are pleased to announce that they have received approval from the Government of Greenland for transfer of an exploration license (“License”) covering a portion of the Sarfartoq Carbonatite Complex in southwest Greenland (the “Project”). Accordingly, Neo has completed the purchase of the License from Hudson for the agreed-upon compensation of US\$3,500,000 (the “Transaction”). Hudson may under certain conditions receive additional compensation in the form of equity interests or a share of future sale proceeds.



The License covers a portion of the large Sarfartoq carbonatite complex that also hosts Hudson’s ST1 rare earth elements project and the Nukittoq Niobium-Tantalum project. (CNW Group/Neo Performance Materials, Inc.)

The License will be transferred to Neo North Star Resources Inc. (“NNSR”), a special purpose entity established to fund exploration of the Project. NNSR is majority-owned by Neo with significant investment from Weston Energy III LLC, a portfolio company of Yorktown Partners LLC. NNSR has initiated exploration activities and intends to raise additional capital as necessary to complete its initial exploration program for the Project.

NNSR has also entered into an offtake agreement (“Offtake”) with Neo’s affiliate, NPM Silmet OÜ (“Silmet”) that gives Silmet rights to purchase up to 60% of the ore or mineral concentrate produced from the Project once it is in operation. The Offtake enables Neo to secure access to a long-term supply of rare earth materials and to further diversify its global rare earth supply chain. The materials procured under the Offtake will be used as

feedstock for Silmet's rare earth separation facility in Sillamäe, Estonia, which is the only industrial-scale, commercially operating rare earth separation facility in the Western hemisphere.

Silmet intends to produce magnetic rare earth oxides to supply raw materials for a new sintered rare earth permanent magnet manufacturing plant that Neo plans to build and operate in nearby Narva, Estonia. Accordingly, the Project and the Offtake are key elements of Neo's "*Magnets-to-Mine*" vertical integration strategy.

The Project hosts a mineral deposit enriched in neodymium and praseodymium – two essential elements for rare earth permanent magnets. The Project is well situated for future development in that it is located just 60 kilometers from the international airport in Kangerlussuaq, is close to tidewater and a major port facility, and is adjacent to a potential source of hydroelectric power.

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Pursuant to the terms of the Transaction, if within five years from the date of closing of the Transaction (1) NNSR transfers the License, or there is a change in control of NNSR pursuant to an acquisition or merger, then Hudson will receive five percent (5%) of the total consideration received by NNSR in connection with such transfer, or (2) NNSR conducts an initial public offering on a stock exchange ("**IPO**"), then Hudson will receive five percent (5%) of the fully diluted equity interests in NNSR immediately prior to the IPO.

Jim Cambon, Hudson's President, commented: "*We are very pleased to complete this Transaction with a global leader in the*

production of advanced materials like Neo. As the world faces critical shortages of rare earth elements outside of China, we are pleased to help bring the Sarfartoq project a step closer to commercial reality and provide almost two decades of operating experience in Greenland to the Neo team. This deal provides a significant cash injection to the company and importantly, also gives Hudson shareholders upside in the future value of the Sarfartoq projects through equity or additional consideration without having to contribute capital.”

Constantine Karayannopoulos, Chief Executive Officer and a Director of Neo, commented: “Neo continuously pursues supply chain optionality in order to ensure that our customers have a dependable supply of engineered rare earth products. Once in production, this project will significantly increase the diversity of global rare earth supply for our processing facilities around the world. It also is another step in our Magnets-to-Mine vertical integration strategy. Based on our significant experience in assessing strategic mineral resources around the world, we believe the Sarfartoq project in Greenland is a strategic asset that uniquely complements Neo’s European rare earth magnet growth strategy. This project is also expected to supplement our current supply of rare earth concentrate coming from Energy Fuels in the United States. We are very confident and supportive of the Greenlandic Government’s vision for sustainable-focused mining as the driver of their economic development, job creation, and growth. We are looking forward to working with Greenland to responsibly develop this resource into a producing mine, of which Neo would be the primary customer.”

ON BEHALF OF THE BOARD OF DIRECTORS OF HUDSON RESOURCES

“Jim Cambon”

President and Director

www.neomaterials.com

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, 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, and Thailand, as well as one dedicated research and development centre in Singapore. For more information, please visit www.neomaterials.com.

About Hudson Resources Inc.

Hudson is an exploration and development company focused on critical metal projects in Greenland. The Company has been actively exploring and developing projects in Greenland for almost two decades. Hudson owns 100% of the Gronne Bjerg anorthosite project which is located on tidewater near the capital of Nuuk. Hudson also has a 31% interest in the operating White Mountain anorthosite mine in Greenland. Hudson was responsible for the permitting, construction and commissioning of the White Mountain mine. Hudson is potentially entitled to additional compensation pursuant to the terms of a license purchase agreement entered into with Neo North Star Resources Inc.

Cautionary Statements Regarding Forward-Looking Statements (Neo)

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. 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.

Cautionary Statements Regarding Forward-Looking Statements (Hudson)

This News Release includes certain “forward-looking statements” which are not comprised of historical facts. Forward looking statements include estimates and statements that describe the Company’s future plans, objectives or goals, including words to the effect that the Company or management expects a stated

condition or result to occur. Forward-looking statements may be identified by such terms as “believes”, “anticipates”, “expects”, “estimates”, “may”, “could”, “would”, “will”, or “plan”.

Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management’s expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, the Company’s objectives, goals or future plans, statements, exploration results, potential mineralization, the estimation of mineral resources, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to failure to identify mineral resources, failure to convert estimated mineral resources to reserves, the inability to complete a feasibility study which recommends a production decision, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, inability to fulfill the duty to accommodate indigenous peoples, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, capital and operating costs varying significantly from estimates and the

other risks involved in the mineral exploration and development industry, an inability to complete the Offering on the terms or on the timeline as announced or at all. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

Neither the 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.

SOURCE Neo Performance Materials, Inc.

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