Neo Performance Materials Partners with Carester to Advance Its European Rare Earth Supply Chain

written by Raj Shah | August 31, 2026

Multi-year agreement secures heavy rare earth oxides for Neo's magnet manufacturing in exchange for recycled scrap processing and separation feedstock supply

August 31, 2026 (Source) — Neo Performance Materials Inc. ("**Neo**") (TSX: NEO) (OTCQX: NOPMF) today announced that it has entered into a binding term sheet with Carester SAS ("**Carester**"), a French rare earth technology company currently building a recycling and heavy rare earth separation facility, Caremag, in Lacq, France, creating a strategic partnership to further advance Neo's strategy of strengthening its rare earth magnetics supply chain across Europe. The partnership is expected to secure Neo's access to Carester's separated heavy rare earths to support production at Neo's European sintered magnet facility, while providing Carester access to Neo's recyclable magnet swarf and rare earth separation capacity. This partnership encompasses three core elements:

- **Securing heavy rare earth supply for Neo's magnet production.** Neo will receive separated dysprosium and terbium oxides from Caremag, providing some of the critical heavy rare earth inputs needed for its European sintered magnet facility, which is expected to launch commercial production in the second half of 2026.
- **Closing the loop on Neo's magnet production scrap.** Neo

will send its manufacturing swarf, a byproduct of the sintered magnet manufacturing process, to Carester for recycling, and will receive the recovered neodymium-praseodymium, dysprosium, and terbium oxides in return, thus increasing its material utilization and keeping valuable rare earths within Neo’s supply chain.

- **Expanding feedstock for European separation.** Under a tolling arrangement, Neo will process Carester’s mixed rare earth carbonate at its Silmet facility in Estonia, retaining the light rare earth output while returning the heavy rare earths to Carester. Silmet is one of Europe’s few operating commercial rare earth separation facilities, with proven light rare earth separation capabilities.

“This partnership with Carester further advances Neo’s strategy to build an industry-leading, secure rare earth magnetics supply chain in Europe,” said Rahim Suleman, President and CEO of Neo. “Few companies can match Carester’s specialized expertise in heavy rare earth separation and recycling and pairing that strength with our own separation and magnet manufacturing capabilities in Europe gives our customers the kind of secure, diversified supply chain that critical minerals and advanced materials markets increasingly demand.”

“Carester is on track to bring online Caremag, its recycling and heavy rare earth separation facility in Lacq, France, which will represent the largest heavy rare earth separation and magnet recycling capacity in Europe, a pivotal step toward realizing Europe’s vision of a circular rare earth magnetics economy,” said Frédéric Carencotte, President of Carester. “Partnering with Neo, whose light rare earth separation expertise and manufacturing footprint are equally well established, ensures our heavy rare earth oxides and recycled materials go straight to work within a secure supply chain.”

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, rare earth magnets, magnetic assemblies, specialty chemicals, metals, and alloys – are critical to the performance of many everyday products and emerging technologies. Neo's products fast-forward technologies for the net-zero transition. 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 manufacturing facilities located in Canada, Estonia, China, Germany, Thailand and the United Kingdom, as well as a 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 launch of the new initiatives and negotiation and execution of definitive agreements and other matters relating thereto. 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 launch and operations of the new project platform. 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 operations including the risks of a material adverse change in 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.

SOURCE Neo Performance Materials, Inc.

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