

Neo's European Integrated Magnet Project Selected for €126 Million Grant Under EU Innovation Fund

written by Raj Shah | October 19, 2026

Grant would help fund an expanded integrated rare earth separation, metallization and magnet manufacturing platform in Estonia

October 19, 2026 ([Source](#)) – Neo Performance Materials Inc. (“Neo” or the “Company”) (TSX: [NEO](#)) (OTCQX: NOPMF) today announced that the European Climate, Infrastructure and Environment Executive Agency (“CINEA”) has invited Neo to prepare a grant agreement for its Green Assets from European Union Strategic Supply (“Project GAUSS”) under the European Union’s Innovation Fund. Neo’s Project was selected with a grant of up to €126 million (approximately US\$141 million).

Neo’s project, co-funded by the Innovation Fund, would support an expanded rare earth magnet value chain in Estonia, spanning separation, metallization and magnet manufacturing, including adding up to 3,000 metric tonnes of permanent magnets per year. One third of that capacity would be allocated to offshore wind farms in the EU.

The project includes the following scope:

- **Separation (Silmet 2.0):** light and heavy rare earth separation tripling its total separation capacity. Earlier this month, the European Commission designated Silmet 2.0 a Strategic Project under the EU Critical Raw Materials

Act.

- **Metallization:** conversion of separated light and heavy rare earth oxides into metals.
- **Magnet Manufacturing (Phase 1B):** the Phase 1B expansion of the European permanent magnet facility, which is expected to increase its nameplate capacity from its current 2,000 metric tonnes to approximately 5,000 metric tonnes per year, with the addition of capabilities to support offshore wind farms.
- **Digital Infrastructure for Competitiveness:** digital twins and artificial intelligence across rare earth separation, metallization and magnet manufacturing, learning from plant data and operator expertise to predict quality, optimize resource use and progressively translate validated insights into physical process control.

“Neo’s strategy includes building the most vertically integrated rare earth magnetics value chain in Europe, and this project brings that strategy together, from separation to metallization and finished magnets,” said Rahim Suleman, President and Chief Executive Officer of Neo. “The EU’s selection of Neo’s project, following the Strategic Project designation of Silmet 2.0 earlier this month, is strong recognition of that plan. This funding would help us further scale magnet production for European customers in wind energy, electromobility and industrial automation. I want to thank the European Commission, CINEA and the Government of Estonia for their continued support.”

Neo expects the value of the project to be approximately €400 million. Neo intends to update the capital cost estimate as project planning and engineering activities progress. The timetable set by CINEA provides for signature of the grant agreement by March 23, 2027 and the project is expected to take

between two to three years to complete.

The project remains subject to final investment decisions and a final grant agreement, which include legal entity validation, a financial capacity assessment, a non-exclusion check and ethics and security reviews.

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 center 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 signing and timing of the grant agreement with CINEA, the amount of the grant, final investment decisions, the scope, capacity, development, financing and timing of Project GAUSS, including Silmet 2.0 and Phase 1B, expected emissions avoidance and job creation, 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 development of a new Project. 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.

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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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