NEO Battery Secures Expansion Site to Establish Integrated Battery Manufacturing Capability

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- Secured 3.2 Acre Expansion Site to Establish Battery Cell Manufacturing Lines and Expand Silicon Battery Material Production
    - Battery Innovation Platform - End-to-End Capability to Design & Manufacture High-Performance, Customized Battery Solutions
- To Install Expected Annual Capacity of 20 MWh of Cylindrical and Prismatic Cell Production with 20 Tons per Year Silicon Anode Scale-Up
- Relevant Equipment Orders Placed & Definitive Lease Agreement for Operational Electrode Manufacturing Facility in Final Stages

TORONTO, Ontario, Oct. 09, 2025 -- NEO Battery Materials Ltd. ("NEO" or the "Company") (TSXV: NBM) (OTC: NBMFF), a low-cost, silicon-enhanced battery developer that enables longer-running, rapid-charging batteries for drones, robotics, and electronics, is pleased to secure an expansion site to establish battery cell manufacturing capabilities and scale-up silicon battery material production and research operations. Located adjacent to the recently announced operational electrode manufacturing facility in South Korea ("First Facility"), the site comprises 6 vacant industrial buildings on 2.5 acres with an additional 0.8 acres designated for future expansion.

The expansion site is a critical component in establishing NEO's new Battery Innovation Platform, which will design and manufacture high-performance, customized battery solutions for drones, robotics, and AI-enabled electronics. Cylindrical and prismatic-format battery manufacturing equipment will be installed to produce an expected annual capacity of 20 megawatt-hours (MWh). With existing pouch-format battery equipment in the First Facility, NEO will possess full capability across all 3 battery formats, enabling supply to any end-user system and specification.

In parallel, the Company will apportion one building to expand its silicon battery material production to 20 tons per year. Along with direct sales, NEO's silicon will be integrated into the First Facility's electrode manufacturing lines and then assembled into various battery formats at the expansion site. An enhanced R&D division will be instituted to custom-design solutions for customers, optimize all manufacturing process yields, and advance high-performance battery technologies.

Equipment orders have been placed for (i) battery cell assembly and formation process and (ii) silicon battery material synthesis. The Company will provide updates upon the completion of the deposit payment, site due diligence, and facility preparation. The Company further expects the definitive lease agreement of the operational electrode manufacturing facility to be finalized shortly.

NEO Battery targets to design, develop, and produce the following silicon-enhanced battery products for various end-user applications:

- High-capacity pouch batteries for drones or unmanned aerial vehicles, consumer electronics, and medical devices
- High-nickel NMC (nickel-manganese-cobalt) cylindrical batteries for autonomous or AI-enabled systems, robotics, power tools, and eVTOL or electric aircraft
- LFP (lithium-iron-phosphate) and high-Ni NMC prismatic batteries for energy storage systems for AI data centers and power grid, industrial and commercial mobility (i.e., forklifts, electric boats, e-mobility), and automotive

Mr. Seok Joung Youn, Head of Manufacturing & Facility Operations, commented, "By integrating end-to-end battery value chain capabilities, NEO aims to reduce reliance on outsourced manufacturing, shorten product

development timelines, and enhance quality control over the materials, electrodes, and cells supplied to customers. This vertical integration effort will allow the Company to become a reliable, high-quality one-stop shop or a Battery Foundry in the Western and North American supply chain."

About NEO Battery Materials Ltd.
NEO Battery Materials is a Canadian battery materials technology company focused on developing silicon anode materials for lithium-ion batteries in electric vehicles, electronics, and energy storage systems. With a patent-protected, low-cost manufacturing process, NEO Battery enables longer-running and ultra-fast charging batteries compared to existing state-of-the-art technologies. The Company aims to be a globally-leading producer of silicon anode materials for the electric vehicle and energy storage industries. For more information, please visit the Company's website at: https://www.neobatterymaterials.com/.

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personnel; liquidity risks; the risk of litigation; risk management; and other risk factors as identified in the Company's recent Financial Statements and MD&A and in recent securities filings for the Company which are available on www.sedarplus.ca. Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued R&D and commercialization activities, no material adverse change in precursor, raw material, equipment, and relevant cost prices, development and commercialization plans to proceed in accordance with plans and such plans to achieve their stated expected outcomes, receipt of required regulatory approvals, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Such forward-looking information has been provided for the purpose of assisting investors in understanding the Company's business, operations, research and development, and commercialization plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this presentation, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

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