COTEC HOLDINGS CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED – MARCH 31, 2024

INTRODUCTION

This Management Discussion and Analysis ("MD&A") of CoTec Holdings Corp (the "Company" or "CoTec") has been prepared by management as of May 30, 2024. Information herein is provided as of May 30, 2024, unless otherwise noted. The following discussion of performance, financial condition and outlook should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023 ("Financial Statements") and the notes thereto, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024 and 2023 ("Interim Financial Statements") and notes thereto prepared in accordance with IFRS applicable to interim financial reporting. These statements are filed with the relevant regulatory authorities in Canada. All amounts herein are expressed in thousands of Canadian dollars, unless otherwise indicated.

Additional information relevant to the Company's activities, including the Company's Annual Information Form dated July 20, 2022 ("Annual Information Form") can be found on SEDAR+ at www.sedarplus.com.

The information contained herein is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is a "Venture Issuer" as defined in NI 51-102. For more information on the Company, investors should review the Company's continuous disclosure filings that are available under the Company's profile at www.sedarplus.com.

Readers are cautioned that this MD&A contains forward-looking statements. All information, other than historical facts included herein, including, without limitation potential value of investments, availability of funding, results and future plans and objectives of CoTec is forward-looking information that involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate and future events and actual results could differ materially from those anticipated in the forward-looking information. Please refer to the Annual Information Form for further details regarding various risks and uncertainties facing the Company.

BUSINESS OVERVIEW

CoTec is a publicly traded investment issuer listed on the Toronto Venture Stock Exchange ("TSX-V") and the OTCQB and trades under the symbol CTH and CTHCF respectively. The Company is an environment, social, and governance ("ESG")-focused company investing in innovative technologies that have the potential to fundamentally change the way metals and minerals can be extracted and processed for the purpose of applying those technologies to undervalued operating assets and recycling opportunities, as the Company transitions into a mid-tier mineral resource producer.

CoTec is committed to supporting the transition to a lower carbon future for the extraction industry, a sector on the cusp of a green revolution as it embraces technology and innovation. The Company has made four investments to date and is actively pursuing operating opportunities where current technology investments could be deployed.

HIGHLIGHTS, RECENT DEVELOPMENTS AND OUTLOOK

Highlights for the Quarter

Operational

- Comprehensive loss for the three months ended March 31, 2024 of $39
- HyProMag USA LLC ("HyProMag USA") formally incorporated with CoTec owning 50% directly (60.3% direct and indirect holding)
- BBA USA Inc. ("BBA"), PegasusTSI ("Pegasus") and Weston Solutions Inc. ("Weston") were engaged by HyProMag USA to complete the Bankable Feasibility Study for the roll out of the HyProMag technology in the USA with targeted completion prior to the 2024 year-end ("Feasibility Study")
- Awarded contracts for the National Instrument 43-101 Preliminary Economic Assessment for the Lac Jeannine Project ("PEA") to an interdisciplinary team of consultants, engineers and scientists co-led by Addison Mining Services Ltd. and Soutex Inc. Completion of PEA targeted for the first half ("H1") of 2024

Corporate

- Appointed Mr. Erez Ichilov to the Board of Directors ("Board') effective January 1, 2024
- Received $975 from the exercise of 1.3 million warrants
- Inclusion in the 2024 TSX Venture top 50™ list
- Appointed retired Vice-Admiral Robert Harward to the Board effective March 4, 2024

Recent Developments and Outlook

Comprehensive income and Commentary

CoTec got off to a strong start in 2024. With our focus shifting more towards operational application of our technologies our activities for the year to date have mainly centered around preparation for the operational roll out of the HyProMag technology in the USA and progressing our Lac Jeannine property.

We have engaged engineering companies for both HyProMag USA and Lac Jeannine. HyProMag USA is targeting completion of the Feasibility Study prior to year-end and Lac Jeannine property is targeting completion of the PEA, including a maiden Mineral Resource Estimate, during H1, 2024.

Maginito Limited ("Maginito")and HyProMag USA Investments

HyProMag USA was formally incorporated at the start of Q1 and its equity is owned on a 50:50 basis between CoTec and Maginito. This provides CoTec with a 50% direct equity interest and a further 10.3% indirect interest through its 20.6% equity interest in Maginito. HyProMag USA will roll out HyProMag's revolutionary patented Hydrogen Processing of Magnet Scrap technology (“HPMS”) in the USA which recovers rare earth elements (“REE”) from permanent magnets.

During the quarter, HyProMag USA engaged BBA, Pegasus and Weston to complete the Feasibility Study prior to year-end. BBA and Pegasus successfully completed their onboarding process during the quarter through visiting key manufacturers in Germany, Poland and the HyProMag Demonstration Plant at Tyseley, UK. Experience and learnings from the UK and Germany demonstration plants will be transferred to the Feasibility Study.

The Feasibility Study is based on three recycling plants and one magnet production facility. Site selection for the three recycling plants and the production facility has commenced. The process is driven by Pegasus, working with environmental consultant Weston. The current focus is on Texas, Fort Worth for the first recycling spoke and magnet production facility (~500 tonnes of NdFeB finished permanent magnets and alloys per annum). Permitting for the various sites will start once site selection has been completed, which is expected in Q3, 2024.

Additionally, discussions with potential feedstock suppliers and off-takers in the USA have commenced, targeting agreements to secure recycled feedstock and long term off take through strategic partners.

During the fourth quarter of 2023, HyProMag’s UK Pilot Plant reported pre-production of recycled magnets at Tyseley Energy Park in Birmingham. Over 3,000 finished rare earth magnets have been produced to-date by HyProMag and the University of Birmingham from recycled HPMS powder produced for project partners and potential customers from the pilot scale equipment. These magnets are currently being tested in a wide range of applications including multiple automotive, aerospace, electronics applications, providing valuable marketing and technical information to further support the scale-up and commercialization of operations.

Binding Solutions Limited (“BSL”) Investment and Lac Jeannine Property

Following a selection process, CoTec awarded the contracts for the PEA at the Lac Jeannine property to an interdisciplinary team of consultants, engineers and scientists co-led by Addison Mining Services Ltd. and Soutex Inc.

The PEA will incorporate the 2023 drill-program and metallurgy testing results from Corem, the largest organization in Canada totally dedicated to research and development (R&D) in mineral processing, providing a maiden Mineral Resource Estimate for the Lac Jeannine iron ore reclamation project. The PEA’s techno-economic analysis will present a scenario with high grade, high quality Fe concentrate from Lac Jeannine. The PEA will be based on an initial Resource for a 10-year life of mine, estimates are the life of mine could be extended by as much as a further 10 years with further drilling and resource definition during the feasibility study in the second half of 2024 subject to the results of the PEA.

The Company commenced testing samples from the Lac Jeannine property with BSL’s low carbon cold bonding pelletizing technology. If successful, this could provide further potential upside to the Lac Jeannine project.

Finally, the Company has commenced a process to engage and meet with the numerous potential stakeholders of the Lac Jeannine property, including the Government of Québec, to pave the way for the eventual execution of the project, subject to positive results from the PEA and subsequent feasibility study.

BSL has continued to commission its pilot plant in Teesside, UK. The pilot plant will test BSL's cold bonding technology on project samples from some of the world's largest mining companies. During the quarter, BSL further advanced its feasibility study and design of a demonstration plant capable of producing approximately 50 tonnes per hour of cold-bonded iron ore pellets. The location of the demonstration plant is targeted for H2, 2024.

MagIron LLC ("MagIron") Investment

During February 2024, the Company subscribed for voting preference shares issued by MagIron ("Pref Shares") at a price of USD4.5569 per share and an aggregate subscription price of $247. The Pref Shares were issued pursuant to a cash call by MagIron. The Pref Shares have certain preferential conversion rights to convert into common shares in the event of a change of control. The preferential conversion rights ranges between 5 and 10 times multiple, depending on the event. The Pref Shares will receive preferential dividends when MagIron starts to pay dividends until a multiple of 10X the subscription price has been received by the holders, whereafter the Pref Shares will convert to ordinary shares on a one-for-one basis. In the event of an Insolvency, the Pref Shares will receive a preferential distribution of 10X its subscription price before distribution to other classes of shares. During April, 2024, the Company contributed a further US$85,000 to a MagIron cash call on similar terms than the February 2024 investment.

Both cash calls by MagIron were to fund working capital requirements and the Company's participation was to maintain its equity interest in MagIron at ~17% on a fully diluted basis. MagIron is not yet operational, and therefore relies on its shareholders to provide it with the necessary working capital from time to time in the form of cash calls. Until such time that MagIron has succeeded in raising sufficient external funding for the restart of its operations, the Company will continue to participate in these cash calls to maintain its ~17% interest.

On February 12, 2024, the Company was awarded US64,167, or $87 for director's fees which were paid in Pref Shares.

Operationally MagIron continued to make progress on permitting and expansion of its lease holdings to increase its potential feedstock holdings as it advances on its strategy to restart Plant 4. MagIron also continues to evaluate alternative value accretive strategies such as a potential acquisition of a pelletizing facility which may be of strategic interest to unlock the value of Plant 4.

Ceibo Inc. Investment ("Ceibo")

Ceibo is targeting the scaling of its technology through continued small- and large-scale column testing and the building of a demonstration plant. If successful, Ceibo's technology will represent a leading, low-carbon, high recovery primary and waste copper sulphide heap leaching process. In line with the Company's business model, CoTec provides ongoing support to Ceibo through its representation on the Ceibo Technical Advisory Board and is working on the identification of potential operational application opportunities for the Ceibo technology. Opportunities identified by CoTec, if pursued by Ceibo, will be done in cooperation with CoTec as joint partner/investor.

Fundraising

During the Quarter the Company received $975 from Kings Chapel International ("Kings Chapel") a Company associated with Julian Treger, through the exercise of 1.3 million warrants at $0.75.

On April 17, 2024, the Company announced a non-brokered private placement of up to 6,000,000 units (each, a "Unit") at a price of $0.50 per Unit for gross proceeds of up to $3,000,000 (the "Private Placement"). Each Unit consists of one common share in the capital of the Company (each a "Common Share") and one Common Share purchase warrant (each a "Warrant"). Each Warrant will entitle the holder to purchase one Common Share at an exercise price of $1.05 for a period of 12 months following the issuance of the Units.

On April 25, 2024, the Company announced the first closing of the Private Placement following the subscription for 4,141,025 Units for gross proceeds of $2,071. Kings Chapel subscribed for 4 million of these Units. On May 15, 2024 the Company announced a second and final close of the Private Placement following the subscription for a further 1,005,000 Units for gross proceeds of $503.

The Corporation will use the gross proceeds of the Private Placement to fund pending investment commitments and for working capital purposes.

Business Development

The Company continues to assess and evaluate new technologies and complementary technologies to our existing investments. Attractive opportunities that meet the Company's investment criteria are progressed to the Investment Committee. The Investment Committee meets on a monthly basis and reviews all proposals on investments and capital decisions and recommends matters for approval to the Board, where appropriate.

Corporate

During the Quarter the Company appointed Erez Ichilov to the Board of Directors ("Board"), following the retirement of John Conlon as a director. The Company also appointed retired Vice-Admiral Robert Harward to the Board.

In February 2024, the Company was included in the 2024 TSX Venture Top 50™ list. The TSX Venture Top 50™ is a ranking of the top fifty performing companies on the TSXV over the prior year. Ten companies from each of five industry sectors are selected based on three equally weighted criteria to qualify as a TSX Venture Top 50™ Company.

Looking forward, the Company will focus on the completion of the PEA during Q2, 2024 and the Feasibility Study during H2, 2024 (together the "Studies"). The Company will also progress its discussions and negotiations with all the stakeholders, including federal governments, involved in both HyProMag USA and Lac Jeannine to lay the foundation for a successful roll-out of these two operational opportunities, subject to a positive outcome of the Studies.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

The Company is also assessing a shortlist of further technology investments with a target of investing in one to two more technologies prior to year-end. Furthermore, the Company continues to assess asset opportunities for its technology investments within the copper and green iron product groups.

RESULTS OF OPERATIONS

For the three months ended March 31 ***($'000 unless otherwise stated)***	**2024**	**2023**
Income		
Gain on equity investments	1,091	202
Share of loss of associates and joint ventures accounted for using the equity method	(127)	-
Gain on convertible notes receivable	-	118
Expenses		
Professional consulting fees	(92)	(147)
General and administrative expenses	(676)	(610)
Stock-based compensation	(135)	(118)
Operating income (loss)	**61**	**(555)**
Net finance expense	(100)	35
Comprehensive loss for the period	**(39)**	**(520)**

During the quarter the Company recorded a FV gain on equity securities of $1.091 million.

Professional consulting fees decreased compared to the prior period by $55 and include legal fees incurred pursuant to the various transactions entered during the period, due diligence fees as well as fees related to interim reviews by the Company's auditors.

General and administrative expenses include salary costs for five employees of the Company, website and marketing development fees. The $66 increase in general and administrative charges during 2024 was mainly driven by an increase in operating activities, offset by Director Fees received from MagIron which were paid in shares.

Stock-based compensation expense also increased year-over-year due to an increased number of stock options in issue, partly offset by a reduction in the charge for equity incentive units ("EIU") granted to the CEO and Board Chairman as a result of a decrease in the Company's stock price. For further details, see *Transactions with Related Parties* below.

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for each of the eight most recently completed quarters are as follows:

$000's except per share	2024	2023				2022		
Amounts	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Income (loss) and comprehensive loss for the period	(39)	(3,340)	3,249	10,376	(521)	(282)	(113)	2,262
Net income (loss) per common share								
Basic	($0.00)	($0.06)	$0.06	$0.19	($0.01)	($0.01)	($0.00)	$0.07
Diluted	($0.00)	($0.06)	$0.06	$0.19	($0.01)	($0.00)	($0.00)	$0.06

In Q1 2024, the company recognized a gain on its investments of $1,091 primarily due to FX movements in the USD to CAD. Costs during the period were primarily driven by general and administrative expenses of $676, legal fees of $17, stock-based compensation of $135, accounting review and audit fees of $75, interest expense and foreign exchange losses for loans outstanding of $58 and $48 respectively and the Company's share of loss from investment associate of $127. Costs were offset by $6 in interest earned on the IZ loan.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company has experienced recurring operating losses and has an accumulated deficit of $90,069 as at March 31, 2024 (December 31, 2023: ($90,030)). For the three months ended March 31, 2024, the Company used cash in operating activities totalling $501 (March 31, 2023: ($1,417)). The Company had cash and cash equivalents of $365 (December 31, 2023: $1,282) and a working capital deficit of $680 as at March 31, 2024 (December 31, 2023: $278). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year.

The Company's continued operation is dependent upon its ability to raise additional funding. Although the directors believe that the Company should be able to secure future fundraising as required, there are no assurances that the Company will be successful in achieving this goal. As a result, there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, which assumes the Company will realize on its assets and discharge its liabilities in the normal course of operations, and do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

As at March 31, 2024 the Company had investments with a total carrying value of $36,144, current assets of $782, offset by current liabilities of $1,462 and non-current liabilities of $3,557.

TRANSACTION WITH RELATED PARTIES

Compensation of Key Management

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

The Company has identified the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Board Chairman as its key management personnel. The remuneration of key management is determined by the compensation committee of the Board of Directors. The consulting fees and other compensation of key management personnel were as follows for the three months ended March 31, 2024, and March 31, 2023:

	Mar. 31, 2024 $	Mar. 31, 2023 $
Short-term salaries and benefits	(359)	(347)
Share-based compensation	(217)	(118)
Total	**(576)**	**(465)**

Short-term salaries and benefits include $360 accrued salaries for the CEO and CFO.

Other Related Party Transactions

As at March 31, 2024, a total of $2 was payable to a Director and an Officer for expenses paid on behalf of the Company which is included in trade and other payables. No agreed terms were stipulated for the $2 payable. $838 was accrued for salaries for both the CEO and CFO which is included in accrued liabilities.

On May 3, 2023, the Company entered into a fifth unsecured loan agreement with Kings Chapel for an amount of USD1,500,000 or $2,026 ("Kings Chapel Loan 5"). The purpose of the Kings Chapel Loan 5 was to fund the Ceibo investment. The Kings Chapel Loan 5 bears interest of 10% per year compounded annually, and has a maturity date of May 4, 2025. 25% of the loan principal was repaid on December 4, 2023, and 50% of the loan principal was repaid on December 21, 2023. For the quarter ended March 31, 2024, $13 was incurred for accrued interest.

On June 15, 2023, the Company entered into a sixth unsecured loan agreement with Kings Chapel for an amount of USD120,000 or $159 ("Kings Chapel Loan 6"). The purpose of the Kings Chapel Loan 6 was to fund the additional investment in MagIron. The Kings Chapel Loan 6 bears interest of 10% per year compounded annually, and has a maturity date of June 15, 2025. For the quarter ended March 31, 2024, $4 was incurred for accrued interest.

On July 20, 2023, the Company entered into a loan note of USD1.2 million with Kings Chapel ("Kings Chapel Loan Facility") to fund general working capital requirements. The loan note attracts interest at 10% per annum, is unsecured and is repayable on the earlier of the date on which the Company receives gross proceeds from equity financing transactions of at least $5 million and July 20, 2025. The loan will be drawn down in tranches.

On July 24, 2023, the Company drew down on its Kings Chapel Loan Facility in the amount of USD300,000 or $395. On August 31, 2023, the Company drew down on its Kings Chapel Loan Facility in the amount of USD300,000 or $395. On September 15, 2023, the Company drew down on its Kings Chapel Loan Facility in the amount of USD200,000 or $271.

On October 10, 2023, the Company drew down on its Kings Chapel Loan Facility in the amount of USD200,000 or $272. On October 19, 2023, the Company drew down on its Kings Chapel Loan Facility in the amount of USD200,000 or $274. For the quarter ended March 31, 2024, $33 was incurred for accrued interest for the Kings Chapel Loan Facility.

Pursuant to the compensation agreements with the CEO, the Company has awarded to the CEO additional EIUs equal to 7% of the common shares issued or issuable pursuant to financing transactions on each closing date of such transactions from August 11, 2021 until April 30, 2023. Each EIU is equivalent in value to one common share of the Company, and will vest on the earlier of i) September 30, 2024, provided that the 30-day volume weighted average trading price ("VWAP") of the common shares as of that date on the principal stock exchange on which they are then traded is at least $0.50 per share (adjusted as required to give effect to any stock splits, consolidations or other reorganizations of the common shares after the date hereof), and ii) the date on which the Company completes a change of control (the "Vesting Date"), provided in either case that the Director becomes engaged with the Company as Executive Chair or CEO and remain so engaged as of the Vesting Date. If the EIUs vest in accordance with the aforementioned conditions, then no later than 10 days after the Vesting Date, the Company will deliver in respect of every Unit, at its discretion, either i) one common share or ii) a cash payment equal to the VWAP of the common shares on the primary stock exchange for the five trading days immediately preceding the Vesting Date. Given the current cash position of the Company, it is more likely at this stage that these EIUs will be settled with common shares and as such have been recorded as Equity-settled Share-Based Compensation.

The Company has also awarded to the CEO additional stock options equal to 5% of the common shares issued or issuable pursuant to financing transactions on each closing date of such transactions from August 11, 2021, until April 30, 2023.

Pursuant to the compensation agreements with the CEO, the Company has awarded to the CEO additional EIUs equal to 7% of the common shares issued or issuable pursuant to financing transactions on each closing date of such transactions from November 27, 2023 until December 31, 2025. Each EIU is equivalent in value to one common share of the Company, and will vest on the earlier of i) December 31, 2026, provided that the 30-day volume weighted average trading price ("VWAP") of the common shares as of that date on the principal stock exchange on which they are then traded is at least $1.10 per share (adjusted as required to give effect to any stock splits, consolidations or other reorganizations of the common shares after the date hereof), and ii) the date on which the Company completes a change of control (the "Vesting Date"), provided in either case that the Director becomes engaged with the Company as Executive Chair or CEO and remain so engaged as of the Vesting Date. If the EIUs vest in accordance with the aforementioned conditions, then no later than 10 days after the Vesting Date, the Company will deliver in respect of every Unit, at its discretion, either i) one common share or ii) a cash payment equal to the VWAP of the common shares on the primary stock exchange for the five trading days immediately preceding the Vesting Date. Given the current cash position of the Company, it is more likely at this stage that these EIUs will be settled with common shares and as such have been recorded as Equity-settled Share-Based Compensation.

The Company has also awarded to the CEO additional stock options equal to 5% of the common shares issued or issuable pursuant to financing transactions on each closing date of such transactions from November 27, 2023 until December 31, 2025.

EIU's granted to the CEO and Board Chairman pursuant to the above-noted arrangement as of March 31, 2024 are presented below:

						(in Thousands)
		EIUs Granted				
Date of Grant	**Vesting Date**	**Owner**	**Number Awarded #**	**Grant Value $**	**Grant Value $ at March 31, 2024**	**(Expense)/Recovery recorded at March 31,2024**
August 11, 2021	August 30, 2024	CEO	2,305,831	153	919	(75)
April 19, 2022	September 20, 2024	CEO/Chair.	996,677	320	397	77
September 7, 2022	September 20, 2024	CEO	282,828	99	113	17
March 10, 2023	December 31, 2026	CEO	1,129,668	311	450	72
November 27, 2023	December 31, 2026	CEO	210,000	26	59	(4)
December 1, 2023	December 31, 2026	CEO	139,426	44	39	(3)
December 19, 2023	December 31, 2026	CEO	42,509	17	12	(1)
February 15, 2024	December 31, 2026	CEO	91,000	25	26	(1)
			5,197,940	**$995**	**$2,015**	**82**

As at March 31, 2024, the fair value of the EIUs were calculated using Monte Carlo simulation using an expected volatility of approximately 66% based on historical volatility to estimate the expected value by averaging the ending stock prices as at the vesting dates over 10,000 simulations.

The Company has awarded to the CEO additional stock options equal to 5% of the common shares issued or issuable pursuant to financing transactions on each closing date of such transactions from September 24, 2021 until April 30, 2023.

The Company has also awarded to the CEO additional stock options equal to 5% of the common shares issued or issuable pursuant to financing transactions on each closing date of such transactions from November 27, 2023 until December 31, 2025.

Stock Options granted to the CEO and Board Chairman pursuant to the above-noted arrangement as of March 31, 2024 are reported below:

							(in Thousands)
		Stock Options Granted					
Date of Grant	**Vesting Date**	**Owner**	**Number Awarded #**	**Grant Value $**	**Exercise Price $**	**Term**	**(Expense)/Recovery recorded at March 31,2024**
September 24, 2021	August 30, 2025	CEO	1,152,916	0.17	0.30	10	(5)
October 8, 2021	January 24, 2027	Chair.	288,229	0.46	0.55	10	(2)
April 20, 2022	September 20, 2024	CEO	569,530	0.46	0.55	10	(18)
April 20, 2022	April 20, 2032	Chair.	142,382	0.46	0.55	10	(5)
September 7, 2022	September 20, 2024	CEO	202,020	0.43	0.46	10	(6)
April 24, 2023	April 24, 2033	CEO	806,905	0.44	0.50	10	(54)
December 1, 2023	September 20, 2024	CEO	99,590	0.55	0.75	10	(3)
December 19, 2023	September 20, 2024	CEO	30,364	0.57	0.75	10	(3)
January 25, 2024	September 20, 2024	CEO	279,954	0.56	0.75	10	(17)
			3,429,508				**(113)**

SUBSEQUENT EVENTS

Private Placement

On April 17, 2024, the Company announced a non-brokered private placement of up to 6,000,000 Units ("April Private Placement"). On April 25, 2024, the Company completed the initial closing of the April Private Placement and issued a total of 4,141,025 Units at a price of C$0.50 per subscription receipt for gross proceeds of $2,070. Each Unit consists of one common share in the capital of the Company, and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one Common Share at an exercise price of C$1.05 for a period of 12 months following the issuance of the Units. On May 15, 2024, the Company completed the second and final closing of the April Private Placement and issued a total of 1,005,000 Units at a price of C$0.50 per subscription receipt for gross proceeds of $503. Each Unit consists of one common share in the capital of the Company, and one Common Share purchase Warrant. The Company issued an aggregate of 5,146,025 Units for aggregate gross proceeds of $2,573 in the April Private Placement.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

In preparing the interim condensed consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements for the year ended December 31, 2023.

ACCOUNTING POLICIES

Investments in Joint Arrangements

The Company conducts a portion of its business through joint arrangements where the parties are bound by contractual arrangements establishing joint control and decisions about the activities that significantly affect the returns of the investee require unanimous consent. A joint arrangement is classified as either a joint operation or a joint venture, subject to the terms that govern each investor's rights and obligations in the arrangement.

In a joint operation, the investor has rights and obligations to the separate assets and liabilities of the investee and in a joint venture, the investors have rights to the net assets of the joint arrangement. For a joint operation, the Company recognizes its share of the assets, liabilities, revenue, and expenses of the joint arrangement, while for a joint venture, the Company accounts for its investment in the joint arrangement using the equity method.

Under the equity method, the Company's investment in a joint venture is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of net earnings or losses of the joint venture, after any adjustments necessary for impairment losses or reversal of impairment losses after the initial recognition date. The total carrying amount of the Company's investment in a joint venture also includes any long-term debt interests which in substance form part of the Company's net investment. The Company's share of a joint venture's losses that are in excess of its investment are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture. The Company's share of net earnings or losses of a joint venture are recognized in net earnings during the period. Dividends and repayment of capital received from a joint venture are accounted for as a reduction in the carrying amount of the Company's investment. Balances between the Company and its joint ventures are not eliminated, but rather disclosed as related party transactions or balances.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in a joint venture is impaired. Objective evidence includes observable data indicating there is a measurable decrease in the estimated future cash flows of the joint venture's operations. When there is objective evidence that an investment is impaired, the carrying amount of such investment is compared to its recoverable amount, being the higher of its fair value less costs of disposal and value-in-use. If the recoverable amount of an investment is less than the carrying amount, the carrying amount is reduced to its recoverable amount and a corresponding impairment loss is recognized in the period in which the relevant circumstances are identified. When an impairment loss reverses in a subsequent period, the carrying amount of the investment is increased to the revised estimate of the recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. Following an impairment reversal, the Company will continue to recognize its share of net earnings to the extent the investment is anticipated to be recoverable through future cash flows of the joint venture. A reversal of an impairment loss is recognized in net earnings in the period in which the reversal occurs.

Similar to the assessment of impairment for subsidiaries, the Company reviews the mining properties and plant and equipment for a joint arrangement at the cash-generating unit level to determine whether there is any indication that these assets are impaired.

BALANCE SHEET ARRANGEMENTS

At March 31, 2024, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

CONFLICTS OF INTEREST

Kings Chapel International Limited, a company associated with Julian Treger, is a shareholder in both BSL and MagIron. As a result, Mr. Treger has recused himself from the decisions made in relation to the Company's investments in BSL and MagIron and the Kings Chapel Loans. Messrs Treger and Genovese both participated in the Ceibo series B financing and as result, recused themselves from the Company's investment decision in this matter.

To the best of the Company's knowledge, there are no known existing or potential material conflicts of interest among the Company and its Directors, Officers or other members of management as a result of their outside business interests except as disclosed above and that certain of the Company's directors and officers serve as directors, officers or advisors of other companies, and therefore it is possible that a conflict may arise between their duties to CoTec and their duties as a director, officer or advisor of such other companies.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

OUTSTANDING SHARE DATA AS AT MAY 30, 2024

a) Authorized and issued Share Capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	61,266,910

b) Summary of Options Outstanding:

Date of Issue	Expiry Date	Exercise Price	Number of Options
September 24, 2021	September 24, 2031	$0.30	1,152,916
October 8, 2021	October 8, 2031	$0.45	288,229
April 19, 2022	April 19, 2032	$0.55	711,912
September 7, 2022	September 7, 2032	$0.46	202,020
April 25, 2023	April 25, 2033	$0.50	1,631,905
January 25, 2024	January 25, 2034	$0.75	279,954
February 15, 2024	February 15, 2034	$0.75	65,000
February 20, 2024	February 20, 2034	$0.75	730,000

c) Summary of Warrants Outstanding:

Date of Issue	Expiry Date	Exercise Price	Number of Warrants
April 14, 2022	April 14, 2025	$0.55	250,020
December 1, 2023	December 1, 2024	$1.25	1,991,800
December 19, 2023	December 19, 2024	$1.25	607,276

INTERNAL CONTROL AND DISCLOSURE CONTROLS OVER FINANCIAL REPORTING

Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim financial statements and have filed the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate for non-venture issuers under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX-V listed companies are not required to provide representations in the interim and annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

OTHER INFORMATION

Additional information with respect to the Company is also available on the Company's website at www.cotec.ca and also on SEDAR at www.sedar.com.