COTEC HOLDINGS CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED – MARCH 31, 2025

INTRODUCTION

This Management Discussion and Analysis ("MD&A") of CoTec Holdings Corp (the "Company" or "CoTec") has been prepared by management as of May 28, 2025. Information herein is provided as of May 28, 2025, 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, 2024 ("Financial Statements") and the notes thereto, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2025 and 2024 ("Interim Financial Statements") and notes thereto prepared in accordance with IFRS Accounting Standards 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. CoTec Holdings Corp. is a forward-thinking resource extraction company committed to revolutionizing the global metals and minerals industry through innovative, environmentally sustainable technologies and strategic asset acquisitions. With a mission to drive the sector toward a low-carbon future, CoTec employs a dual approach: investing in disruptive mineral extraction technologies that enhance efficiency and sustainability while applying these technologies to undervalued mining assets to unlock their full potential. By focusing on recycling, waste mining, and scalable solutions, the Company accelerates the production of critical minerals, shortens development timelines, and reduces environmental impact. CoTec's strategic model delivers low capital requirements, rapid revenue generation, and high barriers to entry, positioning it as a leading mid-tier disruptor in the commodities sector.

HIGHLIGHTS, RECENT DEVELOPMENTS AND OUTLOOK

Highlights for the Quarter

Operational

- Net loss for the three months ended March 31, 2025 of $1,712 mainly driven by G&A expenses of $709, non-cash foreign exchange losses on equity investments of $200, and share-based compensation of $269
- Invested US$148,500, and US$132,071 into MagIron LLC ("MagIron") on February 4, 2025, and on March 25, 2025, respectively to maintain its undiluted equity interest
- Completed the selection process and commenced negotiations with PegasusTSI Inc. ("PegasusTSI") and BBA USA Inc. ("BBA") for their engagement to provide engineering, procurement and construction management ("EPCM") services for HyProMag USA project with an engagement contract signed on April 20, 2025
- Commenced Project WaveCracker™ with McGill University targeting the application of microwave technology to accelerate sulphide copper leaching
- Entered exclusivity and collaboration agreement with Salter Cyclones Limited ("Salter") for the use of its multi-gravity technology for the recovery of ultra fine iron and manganese
- HyProMag USA expanded detailed design and engineering phase to include three hydrogen processing of magnet scrap ("HPMS") vessels and initiate concept studies for further expansion, including long loop recycling

Corporate

- Executive informational overview report on the Company released by Crystal Research Associates LLC. ("Crystal Research") on February 18, 2025
- Drew down $500 on January 6, and February 6, 2025, respectively on the Kings Chapel Convertible Loan Agreement
- Agreed an amendment to the Convertible Loan Agreement with Kings Chapel International Limited ("Kings Chapel") on February 28, 2025. Pursuant to the amendment, the principal amount available to the Company under the Convertible Loan Agreement was increased by up to $2.5 million. All other terms remain unchanged.
- Drew down an additional $500 under the Convertible Loan Agreement on March 5, and March 19, 2025 respectively

Recent Developments and Outlook

The Company reported a net loss of $1,712 mainly driven by standard administrative and overhead costs as well as share-based compensation of $269 and non-cash foreign exchange losses on its investments.

Following its last two announced technology investments, Salter and WaveCracker^{TM}, CoTec is now focused on its operational roll-out of HyProMag USA, final evaluation of its Lac Jeannine project in Quebec and identification of additional projects for its technology investments.

Maginito (20.6%) and HyProMag USA Joint Venture (60.3% flowthrough ownership) Investments

Maginito and HyProMag USA represent the Company’s investment in the rare earth elements (“REE”) sector. HyProMag USA joint venture was formally incorporated at the start of 2024 and is owned on a 50:50 basis between CoTec and Maginito, providing CoTec with a 50% direct equity interest and a further 10.3% indirect interest through its 20.6% equity interest in Maginito.

HyProMag USA plans to roll out HyProMag’s revolutionary patented Hydrogen Processing of Magnet Scrap technology (“HPMS”) in the USA which recovers REE from permanent magnets and will use the recovered REE in the production of new permanent magnets. Key advantages of the HPMS include very low carbon footprint, reduced recycling time, avoidance of extensive chemical use and very competitive cost profile.

The HyProMag USA independent Feasibility Study (“Feasibility Study”) was completed by BBA, PegasusTSI and Weston during November 2024 on time and within budget. The study is based on three pre-processing plants - Nevada, South Carolina and Texas - and one recycling and magnet production facility in Texas. This end-to-end recycling and production facility is targeting production of 750 metric tons per annum of recycled sintered neodymium iron boron (“NdFeB”) magnets and 291 metric tons per annum of associated NdFeB co-products (total payable capacity – 1,041 metric tons NdFeB) over a 40-year operating life.

The Feasibility Study reported a NPV7% of US$262 million and 23% real IRR based on current market prices. $503 million post-tax NPV7% and 31% real IRR based on forecasted market prices. All-in sustaining cost of US$19.6 per kg of NdFeB compared to current weighted average market prices of US$55 per kg. Final site selection for Texas is underway and baseline permitting for the selected site is expected to commence in H1, 2025 with expected completion by the end of 2025.

During the quarter, HyProMag USA completed the selection of its preferred EPCM provider, PegasusTSI and BBA, entered negotiations and formally engaged them after quarter-end. The Detailed Design and Engineering (“DDE”) phase has formally commenced, and its scope has been expanded to include three HPMS vessels in the recycling plant compared to two included in the Feasibility Study. Concurrently with the DDE, HyProMag USA will also evaluate the further expansion of the project through the placement of two additional HPMS recycling and magnet manufacturing facilities in South Carolina and Nevada respectively to triple the capacity of the Project and the addition of a long loop chemical processing plant which will be complementary to the short loop process.

The DDE will further optimize the project and finalize the construction budget. This will be followed by a notice to proceed with execution of the project, currently targeted for H2, 2025 and first US magnet production and revenue targeted for H1, 2027.

Discussions with potential feedstock suppliers and off-takers in the USA to secure recycled feedstock and long term off-take through strategic partners are ongoing and discussions with several US federal and state government bodies to support funding and incentive opportunities are underway.

Maginito continues to make steady progress towards its targeted commercial production in the UK and Germany during 2025. It is expected that HyProMag USA will benefit from the operational experience and production ramp-up in the UK and Germany.

Lac Jeannine Property (100% Option to Purchase) and Binding Solutions Limited ("BSL") (3%)

The Lac Jeannine and BSL investments, together with MagIron below, represent the Company's investment in the steel industry. Lac Jeannine is a reclamation project that significantly reduces the environmental impact of primary iron ore production, whilst BSL's cold agglomeration technology could decrease carbon output from pellet production by up to 97%.

During 2023, the Company signed an option agreement to acquire 31 mining claims forming the Lac Jeannine property located in the Côte-Nord region of Quebec, Canada. The property contains historical tailings of the previous Lac Jeannine iron ore mine operated by the Québec Cartier Mining Company between 1959 and 1985.

The preliminary economic assessment for Lac Jeannine ("PEA") was completed during Q2 2024 by an interdisciplinary team of consultants, engineers and scientists co-led by Addison Mining Services Ltd. and Soutex Inc. The PEA incorporated the 2023 drill-program and metallurgy testing results from Corem, providing an initial Inferred Mineral Resource of approximately 73 million tonnes (Mt) at 6.7% total Fe for 4.9 Mt of contained total Fe.

Though the PEA is based on an initial 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 H1 2025 and the feasibility study that will follow. The 2023 drilling program targeted only a portion of the total available tailings, whereas the 2025 drill-program and follow-on feasibility study will be based on all available tailings.

Based on open-pit extraction methods and the production of a gravity concentrate via conventional processing techniques and at a discount rate of 7.0% (based solely on an initial 10-year life of mine), the PEA indicated a pre-tax NPV of US$93.6 million, and an IRR of 38%, and an after tax NPV of US$59.5 million, and an IRR of 30%.

The PEA is preliminary in nature and is based on Inferred Mineral Resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. As such, there may be no certainty that the PEA will be realized.

The Company has appointed a drilling contractor to complete the 2025 drilling program which is expected to commence during the Spring. The drilling of the remaining tailings could double the life of mine without the need for additional capex, potentially resulting in a significant increase in the expected financial returns.

During the quarter, CoTec entered an exclusivity and collaboration agreement with Salter for use of its multi gravity technology for the recovery of ultra fine iron and manganese ("Salter Technology"). The Salter Technology will be tested on the Lac Jeannine material. The successful recovery of ultra fine material from Lac Jeannine could add further significant value to the Lac Jeannine project.

Testing samples from the Lac Jeannine property with BSL's low carbon cold bonding pelletizing technology is also ongoing. If successful, this could provide even further potential upside to the Lac Jeannine project over and above the increase in the life of mine and the Salter Technology.

To date the Company has engaged and met with the numerous potential stakeholders of the Lac Jeannine property, including the Government of Québec, local stakeholders and First Nation communities, to facilitate the eventual development of the project. These discussions are ongoing.

BSL has commissioned its pilot plant in Teesside, UK. The pilot plant is currently operating continuously and is producing pellets using BSL's cold bonding technology on project samples from some of the world's largest mining companies. During the quarter, BSL continued to advance its feasibility study and design of a full-scale plant capable of producing approximately 50 tonnes per hour of cold-bonded iron ore pellets. BSL is in discussions with several of its customers around partnering on this project. The location of the demonstration plant is targeted for approval in H2, 2025.

MagIron (16.6%)

MagIron is the third of the CoTec's steel investments. MagIron is a U.S. based private company that acquired an iron ore project including the Plant 4 concentrator that it intends to refurbish and bring back into production. A significant part of the project's feedstock will come from existing surface iron-bearing stockpiles, materially reducing the project's mining footprint. CoTec owns a 16.6% undiluted equity interest in MagIron.

During the quarter, CoTec participated in a series of cash calls for an aggregate amount of USD280,651, or $401, as well as shares issued for board advisory fees which amounted to USD20,417, or $29, to maintain its equity interest.

The most recent valuation at which MagIron raised additional equity at US$5.21 per MagIron share, represented an increase in the Company's initial investment. Management also considered the uncertainties around the project milestones and has applied an overall success factor of 50% to this gain, to reflect management's expectation of the project being successful as well as the likelihood of a liquidity event. For the three months ended March 31, 2025, there has been no change in equity value, and any related changes in foreign exchange have been recorded through the statement of income as FVTPL in the amount of $19.

The increase in the share issue price during 2024 was driven by the enterprise valuation determined by MagIron's Board of Directors based on several factors. 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. Plant 4 is fully permitted for the restart of mining and processing activities, subject to posting $3.7 million financial assurance required under the Permit to Mine. MagIron is also in the process of completing a National Instrument 43-101 feasibility study technical report for the restart of its facilities and has also commenced construction of a pilot plant during the quarter. The pilot plant testing and feasibility study is expected to be completed in Q3, 2025.

Iron-bearing stockpiles already owned by MagIron combined with iron-bearing materials secured through long-term mineral leases could be sufficient to support Plant 4 for more than 20 years of operation, targeting annual production of 2.5 million dry tonnes per annum of Direct Reduction ("DR") grade iron concentrate.

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. To this end MagIron has acquired the land on which the Reynolds Pellet Plant in Indiana is located.

Ceibo Inc. Investment ("Ceibo")

Ceibo represents the Company's investment in the copper sector. It 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. Ceibo have made considerable progress in their technology development and in Q4, 2024 it announced that it had partnered with Glencore's Lomas Bayas Mining Company to deploy the technology at the Lomas Bayas mine.

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.

International Zeolite Loan Note

The Company's $300 loan note to International Zeolite Corp ("IZ") remains outstanding as at quarter-end. The loan note is fully secured through a first ranking charge in favor of CoTec over all of IZ's assets ("IZ Loan"). The note attracts interest at 7% per annum and is repayable at the earlier of November 1, 2024, or a change of control at IZ. As at March 31, 2025 the loan was in default. The Company continues to work with IZ management on required restructuring steps to enable IZ to settle the loan.

Convertible Loan from Related Party - Kings Chapel

The Company drew down $500 on January 6, 2025, and on February 6, 2025, respectively under the convertible loan agreement entered into between the Company and Kings Chapel on November 19, 2024 ("Convertible Loan Agreement").

On February 28, 2025, the Company and Kings Chapel agreed an amendment to the Convertible Loan Agreement. Pursuant to the amendment, the principal amount available to the Company has been increased by up to $2.5 million. All other terms of the Convertible Loan Agreement remained unchanged. The outstanding principal amount of the loan bears interest at an annual rate of 10% and is repayable, together with accrued and outstanding interest, on December 31, 2027. The Corporation's obligations under the Convertible Loan Agreement are unsecured.

On March 5, and on March 19, 2025, the Company drew down on an additional $500 under the Convertible Loan Agreement, and a further $250 on each of April 16, 2025, and April 28, 2025.

As at March 31, 2025, the embedded derivative was valued at $1,237 using a Monte Carlo simulation to forecast the Company's share price throughout the remaining term of the note. The basis of the Monte Carlo simulation used share price volatility of 4.5%, a term of 2.75 years, and a risk-free rate of 2.5%. For the three months ended March 31, 2025, the Company recorded a FV loss on the embedded derivative of $42. The principal component of the convertible loan was $4,895 as at March 31, 2025.

Equity

During Q1, 2025 the Company received $5 from the exercise of 8,984 warrants at $0.55 per share.

Business Development

The Company continues to assess and evaluate operational opportunities for the application of its technology investment portfolio. 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

On February 18, 2025, Crystal Research released an executive informational overview ("EIO") on the Company. Crystal Research is an independent research firm led by Wall Street veterans, Jeffrey Kraws and Karen Goldfarb. The EIO provides a detailed discussion of the Company's investments and operational opportunities and long-term strategy.

Looking forward, the Company will focus on the completion of the DDE for HyProMag USA and in parallel progress discussion to secure both supply and off-take agreements for this project. Discussions with US Government representatives to explore funding opportunities will continue alongside engagement with commercial financiers.

The 2025 drill-program at Lac Jeannine will be completed by Q3, 2025, leading into the completion of a feasibility study. Discussions with all relevant stakeholders in Lac Jeannine are expected to continue over the next few months.

Furthermore, the Company continues to assess asset opportunities for its technology investments within the copper and green iron product groups.

On May 20, 2025, the Company announced its intention to raise up to $10 million through a combination of a Listed Issuer Financing Exemption offering and a concurrent private placement, each priced at $0.78 per unit. Each unit consists of one common share and one warrant exercisable at $1.20 for 18 months.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

RESULTS OF OPERATIONS

For the three months ended March 31 ***($'000 unless otherwise stated)***	**2025**	**2024**
Income		
FV (loss) gain on equity securities	(200)	1,091
Loss on embedded derivative	(42)	-
Share of loss from investment associate	(128)	(127)
Expenses		
Professional consulting fees	(170)	(92)
General and administrative expenses	(709)	(676)
Stock-based compensation	(269)	(135)
Operating (loss) income	**(1,518)**	**61**
Net finance expense	(195)	(100)
Net loss	**(1,712)**	**(39)**
Foreign Currency Translation	336	-
Comprehensive loss for the period	**(1,376)**	**(39)**

During the quarter the Company recorded a future value ("FV") loss on equity securities of $0.2 million.

Professional consulting fees increased compared to the prior period by $78 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 $33 increase in general and administrative charges during Q1 2025 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, as well as an increase in charge for equity incentive units ("EIU") as a result of an increase 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	2025	2024				2023		
Amounts	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Net income (loss) for the period	(1,712)	533	(2,193)	1,454	(39)	(3,340)	3,249	10,376
Comprehensive income (loss) for the period	(1,376)	(202)	(2,193)	1,454	(39)	(3,340)	3,249	10,376
Net income (loss) per common share								
Basic	($0.02)	$0.01	($0.03)	$0.02	($0.00)	($0.06)	$0.06	$0.19
Diluted	($0.02)	$0.01	($0.03)	$0.02	($0.00)	($0.06)	$0.06	$0.19

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company has accumulated a deficit of $92,720 as at March 31, 2025. For the three months ended March 31, 2025, the Company used cash in operating activities totaling $1,231. The Company had cash and cash equivalents of $249 and a working capital deficit of $893 as at March 31, 2025, inclusive of $1,109 owed to two directors and an officer of the Company.

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. These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize on its assets and discharge its liabilities for at least twelve months from March 31, 2025, 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, 2025 the Company had investments with a total book value of $40,693, current assets of $682, offset by current liabilities of $1,575 and non-current liabilities of $8,101. Current liabilities and non-current liabilities include obligations to related parties totaling $8,645.

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. 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, 2025, and March 31, 2024:

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

	Mar. 31, 2025	**Mar. 31, 2024**
	$	**$**
Short-term salaries and benefits	(365)	(359)
Share-based compensation	(240)	(217)
Total	**(605)**	**(576)**

There is $1,109 of accrued salaries in accrued liabilities for the CEO, CFO and Board Chairman which remain to be paid.

Other Related Party Transactions

As at March 31, 2025, $859 was accrued for salaries for both the CEO and CFO which is included in accrued liabilities which remain to be paid.

The Company has entered into a series of loans with Kings Chapel to facilitate timely investments and provide general working capital. Kings Chapel is owned by an irrevocable discretionary trust associated with Julian Treger, the Company's Chief Executive Officer and a director of the Company.

Pursuant to the compensation agreement with the CEO, the Company has awarded and will continue to award 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 (“December 2025 Compensation Agreement”) excluding certain common shares issued on which broker fees are payable. 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 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 is engaged with the Company as Executive Chair or CEO and remain so engaged as of the respective Vesting Dates. If the EIUs vest in accordance with the aforementioned conditions, then no later than 10 days after the respective Vesting Dates, 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.

In connection with the December 2025 Compensation Agreement, the Company has also awarded and will continue to award to the CEO additional stock options equal to 5% of the common shares issued pursuant to financing transactions on each closing date of such transactions until December 31, 2025, excluding certain common shares issued on which broker fees are payable. Each award under this agreement will have an exercise price equal to the most recent closing price of the common shares as of the date of the grant, a term of 10 years and will be subject to vesting over three years, with 1/3 of each option grant vesting each year.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

As at March 31, 2025, 2,409,173 EIUs remain vested and unpaid resulting in a liability of $1,332 to the CEO and Board Chairman.

As at March 31, 2025, the fair value of the EIUs were calculated using Monte Carlo simulation using an expected volatility of approximately 63% based on historical volatility to estimate the expected value by averaging the ending stock prices as at the vesting dates over 10,000 simulations.

Should the common shares trade at $1.10 per share as of the Vesting Date for the December 2025 Compensation Agreement, the estimate liability for these EIUs would be $1,351. At $1.15 per share, the estimated liability would be $1,412; at $1.20 per share, the estimated liability would be $1,474, and at $1.25 per share the estimated liability would be $1,535. As at March 31, 2025, the closing share price for the Company on the TSX-V, was $0.65 per share, which if traded at these levels and up to $1.10 per share as of the Vesting Date, would result in a liability of nil for these EIUs.

No EIU's were granted to the CEO pursuant to the above-noted arrangement during the three months ended March 31, 2025.

Balance of EIUs as of Mar. 31, 2025			
Owner	**Number Awarded #**	**Grant Value $**	**Value as at Mar. 31, 2025 $**
CEO	1,228,157	1,114	326
	1,228,157	**1,114**	**326**

No Stock Options were granted to the CEO pursuant to the above-noted arrangement during the three months ended March 31, 2025.

Balance of Stock Options as of Mar. 31, 2025	
Owner	**Number Awarded #**
CEO	3,608,626
Chairman	430,611
	4,039,237

Convertible Loan from Kings Chapel

On November 19, 2024, the Company entered into a Convertible Loan Agreement with Kings Chapel. All outstanding notes payable to Kings Chapel were converted into the convertible loan. The Company recognized a balance of $2,334 in convertible loans and $396 in embedded derivatives as Kings Chapel has the option to convert the loan into common shares at $0.75 per share. In addition, the principal amount of the loan is automatically converted into common shares at $0.75 per share if at any time after January 1, 2025, the Company's stock price exceeds $1.00 for 15 consecutive days. However, the convertible loan will only be converted into common shares to the extent that it does not result in Kings Chapel and its related parties owning more than 49% equity interest in the Company.

In addition, Kings Chapel agreed to provide an additional $1,500 through three separate tranches: $500 on November 7, 2024, $500 on December 9, 2024, and $500 on January 7, 2025. The First and Second Tranche each had an embedded derivative of $89 respectively which was determined using Monte Carlo simulation, based on a share price volatility of 4.9% and 4.7%, a term of 3.2 and 3.1 years, and risk-free rates of 3.0% and 2.9%, respectively for the First and Second Tranche. There were four additional tranches: Third Tranche of $500 on January 6, 2025, Fourth Tranche of $500 on February 6, 2025, Fifth Tranche of $500 on March 5, 2025, and Sixth Tranche of $500 on March 19, 2025. The tranches had an embedded derivative of $124, $128, $88, and $103 respectively which was determined using Monte Carlo Simulation based on a daily share price volatility of 4.8%, 4.9%, 4.5%, and 4.6%, a term of 3.0, 2.9, and 2.8 years, and annual risk-free rates of 2.9%, 2.6%, and 2.5%.

As at March 31, 2025, the embedded derivative was valued at $1,237 using Monte Carlo simulation to forecast the Company's share price throughout the remaining term of the note. The basis of the Monte Carlo simulation used share price volatility of 4.5%, a term of 2.75 years, and a risk-free rate of 2.5%. For the three months ended March 31, 2025, the Company recorded a FV loss on the embedded derivative of $42. The principal component of the convertible loan was $4,895 as at March 31, 2025.

SUBSEQUENT EVENTS

Kings Chapel Convertible Loan

On April 16, 2025, and on April 28, 2025, the Company drew down an additional $250 on each date, and $500 on May 15, 2025 under the Convertible Loan Agreement.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with IFRS Accounting Standards requires judgements and estimates that affect the amounts reported. Those judgements and estimates concerning the future may differ from actual results. The following are the areas of accounting policy judgement and accounting estimates applied by management that most significantly affect the Company's financial statements, including those areas of estimation uncertainty that could result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Equity Investments in Private Companies

The determination of fair value of the Company's investments at other than initial cost is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Management exercises significant judgement when determining the fair value of the equity investment in private companies at the end of each reporting period.

Management applies the price of recent investment valuation technique where it uses the initial cost of the investment, or, where there has been subsequent investment, the price at which a reasonable amount of new investment into the investee was made, to estimate the enterprise value, but only if deemed to represent fair value and only for a limited period following the date of the relevant transaction.

Investee-specific information is also considered when determining whether the fair value of an equity investment should be adjusted upward or downward at the end of each reporting period. In this context, management gives consideration to the business' key performance indicators at the measurement date compared to previous measurement dates. In addition to investee-specific information, the Company also takes into account trends in general market conditions and the commercial viability of the businesses when fair valuing equity investments.

The fair value of long-term investments and convertible notes receivable may be adjusted if:

a) a significant change in the performance of the investee compared with budgets, plans or milestones.
b) changes in expectation that the investee's technical product milestones will be achieved.
c) a significant change in the market for the investee's equity or its products or potential products.
d) a significant change in the global economy or the economic environment in which the investee operates.
e) a significant change in the performance of comparable entities, or in the valuations implied by the overall market.
f) internal matters of the investee such as fraud, commercial disputes, litigation, changes in management or strategy.
g) evidence from external transactions in the investee's equity, either by the investee (such as a fresh issue of equity), or by transfers of equity instruments between third parties.

Adjustments to the fair value of a long-term investment will be based upon management's judgement and any value estimated may not be realized or realizable.

The valuation of the equity investment in MagIron LLC required significant judgment in that the most recent fundraise was supported by existing shareholders based on a valuation determined by MagIron's management using an Income Approach. Management considered the uncertainties around the project milestones and applied a discount factor in order to reflect management's expectation of the project being successful as well as the likelihood of a liquidity event.

Capitalization of Exploration and Evaluation Expenditures

The application of the Company's accounting policy for capitalization of exploration and evaluation expenditures requires judgement in determining whether the future economic benefit is likely, either through future exploitation or sale, where properties have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain judgements about future events or circumstances, in particular whether an economically viable mine can be established. Judgement is applied in the determination of whether any impairment indicators exist at each reporting date giving consideration to factors including mining title expiration dates, budgeted expenditures, discontinuation of activities in any area, and evaluation of any data which would indicate that the carrying amount of exploration and evaluation assets is not recoverable. If new information becomes available suggesting that the recovery of the carrying amount of exploration and evaluation assets is unlikely, the amount capitalized is written off in the Consolidated Statement of

Income/(Loss) in the period when the new information becomes available.

Determination of Control or Significant Influence Over Investees

The assessment of whether the Company has a significant influence or control over an investee requires the application of judgement when assessing factors that could give rise to a significant influence or control. Factors evaluated when making a judgement of control or significant influence over an investee include, but are not limited to, ownership percentage, representation on the board of directors, participation in the policy-making process, material transactions and contractual arrangements between the Company and the investee, interchange of managerial personnel, provision of essential technical information and potential voting rights. In evaluating these factors, the Company determines the level of influence over the investee the Company has. Changes in the Company's assessment of the factors used in determining if control or significant influence exists over an investee would impact the accounting treatment of the investment in the investee.

BALANCE SHEET ARRANGEMENTS

At March 31, 2025, 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, 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 Convertible Loan Agreement.

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.

OUTSTANDING SHARE DATA AS AT MAY 28, 2025

a) Authorized and issued Share Capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	71,556,514

b) Summary of Options Outstanding:

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

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 24, 2023	April 24, 2033	$0.50	1,631,906
January 25, 2024	January 26, 2034	$0.75	279,954
February 15, 2024	February 16, 2034	$0.75	65,000
February 20, 2024	February 20, 2023	$0.75	730,000
April 25, 2024	April 25, 2034	$0.50	207,051
May 15, 2024	May 15, 2034	$0.50	50,250
July 11, 2024	July 11, 2034	$0.50	425,000
July 11, 2024	July 11, 2034	$0.75	200,000
July 15, 2024	July 15, 2034	$0.50	150,000

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 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 Accounting Standards.

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 52109. 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 Accounting Standards.

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.sedarplus.com.