COTEC HOLDINGS CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED – DECEMBER 31, 2023

INTRODUCTION

This Management Discussion and Analysis ("MD&A") of CoTec Holdings Corp (the "Company" or "CoTec") has been prepared by management as of April 29, 2024. Information herein is provided as of April 29, 2023, 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 years ended December 31, 2023 and 2022 ("Financial Statements") and the notes thereto, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). These statements are filed with the relevant regulatory authorities in Canada. All amounts herein are expressed in 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.

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 trades under the symbol CTH. 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 seeks to transition 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 focused on expanding its technology footprint whilst actively pursuing operating opportunities where current technology investments could be deployed.

HIGHLIGHTS, RECENT DEVELOPMENTS AND OUTLOOK

Highlights for the 2023 Year

Operational

- Loss of $(3.340) million and net income of $9.763 million for the quarter and the year respectively. Gain for the year was primarily due to non-cash gain on equity investments of $13.1 million, and a non-cash equity pick-up loss of $(0.1) million on investments in associates. Loss for the quarter includes a $1.967 million net foreign exchange rate loss in investments due to the strengthening of the Canadian dollar versus the US dollar during the quarter and $346 stock-based compensation which are non-cash items. The Canadian dollar weakened against the US dollar in Q1, 2024
- Completed a GBP3.5 million investment in Maginito Limited (“Maginito”) for a 20.6% equity interest
- Maginito completed the purchase of the remaining 58% equity interest in HyProMag Limited (“HyProMag”) in August 2023
- Commenced a Request for Proposal process for engagement of an engineering firm to undertake the HyProMag USA Feasibility Study (“USA Feasibility Study”). USA Feasibility Study to be completed in 2024 in parallel with the completion of commercial demonstration plants in the UK and Germany
- Increased the Company’s interest in Binding Solutions Limited (“BSL”) to 2.66% through a further investment of $684k
- Entered an option agreement for the acquisition of Lac Jeannine mining claims in Quebec for application of BSL technology
- Engaged drilling contractor for Lac Jeannine and completed bulk sample and maiden resource drilling program in October 2023
- Engaged Corem, a non-profit expertise and innovation Centre that offers mining corporations a range of specialized research services to assist in the development and optimization of key mineral processing, to complete metallurgy testing on the Lac Jeannine bulk samples. Test work included particle grain size analysis, gravity and particle size separation test work and metallurgical analysis
- BSL secured a US$17.5 million investment from Mineral Resources Limited (“MinRes”) at a valuation of US$158 million, a 110.67% increase over CoTec’s investment resulting in a non-cash gain of $1.483 million
- Invested US$1.5 million in Ceibo, developer of a revolutionary process to leach low-grade primary copper sulphides, such as chalcopyrite, and copper waste material using a proprietary high throughput inorganic leaching technology
- Participated in five cash calls for an aggregate amount US$484 to maintain its investment into MagIron at ~17% on a fully diluted basis
- MagIron completed independent laboratory scale metallurgical test work demonstrating the potential to double historical iron recovery achieved at Plant 4 and to produce Direct Reduction grade iron concentrate

Corporate

- Raised gross proceeds of $9.3 million through two non-brokered private placement and a further $2.25 million through the exercise of 3 million warrants at $0.75

- Formed a partnership with the Birmingham Centre for Strategic Elements and Critical Materials at the University of Birmingham to identify and commercialize disruptive technologies related to the critical mineral extraction industry
- Became a member of Securing America's Future Energy ("SAFE"). SAFE enhances energy security and supports U.S. economic resurgence and resiliency, by advancing transformative transportation and mobility technologies whilst ensuring the United States and allies secure key aspects of the technology supply chain

Recent Developments and Outlook

The fourth quarter was another successful quarter for CoTec and a fitting conclusion of a very successful 2023. During the year, CoTec laid the foundation for its transformation from an investor in disruptive natural resource technology to a future resource producer applying such technologies to marginal and reclamation assets and recycling opportunities. The insiders believe that the Company presents a compelling value proposition and continues to support the Company through significant participation in private placements and share purchases in the open market.

During the fourth quarter the company recorded a loss of ($3.340) million and comprehensive income for the year of $9.763 million. However, the loss during the fourth quarter was mainly driven by net foreign exchange losses on investments due to the strengthening of the Canadian dollar versus the US dollar. Much of this strengthening in the Canadian dollar was reversed during Q1, 2024.The Company increased its equity position in Maginito to 20.6% and commenced the process of retaining an engineering firm to prepare the USA Feasibility Study. HyProMag USA engaged a consortium of contractors lead by BBA and PegasusTSI in March 2024.

The Feasibility Study will be based on a hub and spoke model using three Hydrogen Processing of Magnetic Scrap ("HPMS") vessels and one magnet manufacturing hub which will be based in Texas. Environment and permitting studies will be supported by US-based Weston Solutions, Inc.

The Company entered into an option agreement to acquire the Lac Jeannine mining claims in August 2023, and successfully completed a bulk sample and maiden resource drilling program during the fourth quarter. During the fourth quarter the Company was also successful in securing an additional $4.2 million in equity through a private placement and the exercise of warrants.

Maginito (20.6%) and HyProMag USA (60.3%)

During early August 2023 Maginito acquired the 58% of equity in HyProMag that it did not already own ("HyProMag Acquisition). Following completion of the HyProMag Acquisition, CoTec converted its £2 million convertible loan note in Mkango into Maginito stock, increasing its equity holding in Maginito to 20.6%. This conversion simplifies CoTec's equity position into both Maginito and HyProMag USA. As a result of the conversion, CoTec will equity account for the results of Maginito starting September 30, 2023.

Maginito achieved pre-production of recycled rare earth magnets in the United Kingdom ("UK") in December and is targeting first commercial production of Rare Earth Element ("REE") carbonate from its UK operations in Q4, 2024, whilst continuing further development of its German operation during 2024, targeting first commercial production in 2025.

During Q1 2024, Mkango and CoTec commenced the process of incorporating a company in the US ("HyProMag USA") to be owned 50:50 by the joint venture partners. This process was completed shortly after year-end and HyProMag provided a sub license for the technology and technical assistance to HyProMag USA. CoTec will be responsible for funding initial costs, including the USA Feasibility Study, and project development costs, whilst CoTec and Mkango will be jointly responsible for the management of HyProMag USA.

The USA Feasibility Study is expected to be completed during H2, 2024 and the Company has commenced discussions with strategic partners regarding feed supply and magnet offtake. Furthermore, the Company is progressing discussions with various departments in the US Government to assess potential support programs for HyProMag USA.

The USA Feasibility Study will be completed in parallel with the UK and German based developments and will benefit from operational experience and production ramp-up in the UK and Germany. Revenue from the US operation is targeted for 2026.

During the fourth quarter, 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 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 commercialisation of operations.

During the fourth quarter, HyProMag's rare earth magnet recycling technology was selected by the Minerals Security Partnership ("MSP") for support as one of its key projects. The MSP was formed in 2022 by 14 governments and aims to ensure adequate supplies of minerals such as rare earths to meet net zero-carbon goals. The technology was selected by the MSP because the MSP recognized its strong potential to contribute towards the development of responsible critical mineral supply chains.

BSL and Lac Jeannine Property

On August 7, 2023, the Company signed an option agreement to acquire 31 mining claims forming the Lac Jeannine Property (the "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.

Following the acquisition, the Company engaged Sonic Drilling Corp. to perform a drilling and bulk sampling program, which was successfully completed in October 2023. The drilling program forms the basis of the maiden resource estimate whilst the bulk sample is being used for independent metallurgy testing at Corem and further testing with BSL of its cold agglomeration technology.

The Company is awaiting the results of the program. If positive, CoTec intends to commission a feasibility study regarding the recovery and production of low-cost iron concentrate and low carbon iron ore pellets from the Property. The results are expected in H1, 2024 with the feasibility study expected to commence in H2 2024.

During the year, BSL commissioned and commenced testing at their pilot plant in Teesside, UK. It also secured further equity funding of US$17.5 million from Australian based MinRes at an increased valuation of USD158 million which is a 110.67% increase over the USD75 million at which CoTec made its initial USD2 million investment. BSL will use the funds to progress its feasibility study, design and construction of a demonstration plant capable of producing approximately 50 tonnes per hour of cold-bonded iron ore pellets applying its technology. The location of the demonstration plant is yet to be decided.

MagIron

During the year the Company contributed an aggregate USD484k to several cash calls to maintain its equity interest in MagIron of 17% on a fully diluted basis. As part of the equity investments, the Company also received an aggregate of 964,318 non-transferable purchase warrants at a weighted average price of USD3.00 for a period of 24 months from each tranche date. The MagIron funding was for working capital purposes.

During February 2024, the Company also subscribed for preference shares issued by MagIron ("Pref Shares") at a price of USD4.5569 per share. The Pref Shares have certain preferential conversion rights to convert into common shares in the event of a change of control and insolvency. The preferential conversion rights ranges between a 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. During April, 2024, the Company contributed a further US$85,000 to a MagIron cash call on similar terms than the February 2024 investment.

During the year MagIron successfully completed an extensive campaign of independent laboratory metallurgical test work ("Test Work") for its 100% owned Plant 4 iron ore project. The initial results have confirmed a new process flowsheet which has demonstrated the potential to double the historical iron recovery achieved at Plant 4 and to produce direct reduction grade iron concentrate. As a next step, MagIron will follow the Test Work with further feasibility studies for a large-scale testing through a limited restart of Plant 4.

MagIron has also 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

The Company invested USD1.5 million in Ceibo on May 11, 2023, for an equity interest of 3%. CoTec's investment was part of a larger funding round supported by a group of international investors including BHP Group Limited.

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. This could deliver considerable value through a significant reduction in the time required to bring additional copper into production, a competitive cost structure and a lower environmental and carbon footprint, protected by a high technical barrier to entry.

CoTec is providing ongoing support to Ceibo through its representation on the Ceibo Technical Advisory Board and through the identification of potential operational application opportunities. Opportunities identified by CoTec, if pursued by Ceibo, may 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 year-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.

Loan Notes from Related Party - Kings Chapel

On February 28, 2023, the Company entered into a fourth unsecured loan agreement with Kings Chapel for an amount of $475 ("Kings Chapel Loan 4"). The main purpose of the Kings Chapel Loan 4 was to fund an additional investment in MagIron. The Kings Chapel Loan 4 carries the same terms as the Kings Chapel Loan 1, 2, and 3, except that the Kings Chapel Loan 4 matures on March 1, 2025. 100% of the loan and interest was repaid on December 4, 2023.

On May 3, 2023, the Company entered a loan note of USD1.5 million with Kings Chapel to fund its investment into Ceibo. 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 in aggregate gross proceeds from one or more equity financing transactions of at least $3.2 million (in addition to any funds raised from Kings Chapel) and May 3, 2025, neither of which has occurred (see Other Related Party Transactions below).

On June 15, 2023, the Company entered a loan note of USD120,000 with Kings Chapel to fund its contribution to MagIron's June fundraise. 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 in aggregate gross proceeds from one or more equity financing transactions of at least $3.5 million (in addition to any funds raised from Kings Chapel) and June 14, 2025, neither of which has occurred (see Other Related Party Transactions below).

On July 20, 2023, the Company entered a loan note of USD1.2 million with Kings Chapel 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 in aggregate gross proceeds from one or more equity financing transactions of at least $5 million (in addition to any funds raised from Kings Chapel) and July 20, 2025, neither of which has occurred. The loan was drawn down in several tranches with the final draw down of US$200,000 on October 19, 2023.

At year-end, the company owed a total of $2.426 million under the outstanding loan notes to Kings Chapel.

Corporate

During the Quarter the Company received $2.24 million from the exercise of warrants at C$0.75 followed by a further $0.975 from the exercise of 1.3 million warrants after year-end.

During November and December 2023, the Company completed a private placement of 2.6 million Units for gross proceeds of $1.95 million. The Units had a subscription price of C$0.75 and consisted of one common share in the Company and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one Common Share at C$1.25 for a period of 12 months.

On October 4, 2023, the Company's common shares became eligible for electronic clearing and settlement in the United States through the Depository Trust Company.

During the fourth quarter the Company also appointed Mr. Erez Ichilov to the Board of Directors ("Board"), effective January 1, 2024. Mr. Ichilov replaced Mr. John Conlon who stepped off the Board at that date.

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 monthly and reviews all proposals on investments and capital decisions and recommends matters for approval to the Board, where appropriate.

The Company does not yet have any cash generating operations and will be dependent upon external funding to finance its initial investments and operational roll-out of its technologies.

Looking forward, the Company will focus on the USA Feasibility Study and completion of the testing and analysis of the Lac Jeannine drill program and bulk sample. Concurrently, the Company is assisting HyProMag USA in the application of Grant funding from the US Government and securing feed supply and off-take contracts.

The Company also continues to support MagIron in the execution of its strategy and is actively engaged in the identification of possible application opportunities for Ceibo.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

RESULTS OF OPERATIONS

For the year ended December 31 ***($'000 unless otherwise stated)***	**2023**	**2022**	**2021**
Income			
FV gain on equity securities	13,081	3,969	-
Share of loss on equity investment	(82)	3,969	-
FV gain on convertible notes	1,806	53	-
Expenses			
Professional consulting fees	(641)	(534)	(143)
General and administrative expenses	(2,684)	(1,505)	(375)
Stock-based compensation	(1,622)	(434)	(88)
Operating income	**9,858**	**1,548**	**(606)**
Net finance expense	(95)	(60)	(1)
Comprehensive income (loss) for the period	**9,763**	**1,489**	**(607)**
Total assets	**35,893**	**12,403**	**463**

During the year the Company recorded a FV gain on equity securities of $13.1 million. This gain comprises:

a) Revaluation of MagIron equity investment which resulted in a gain of $10.1 million, and revaluation of MagIron warrants which resulted in a loss of $0.1 million;
b) Revaluation of BSL equity investment which resulted in a gain of $1.4 million; and
c) Revaluation of Maginito equity investment prior to moving to the equity method on September 30th due to increased ownership, which resulted in a gain of $1.7 million.

The fair value gain on convertible notes relate to the quarterly re-valuation of the conversion rights embedded in the Mkango Loans as required by IFRS and does not impact the actual GBP1.6 million receivable underpinning these loan notes. These notes were converted into Maginito stock during the fourth quarter and will therefore no longer require future adjustment.

Professional consulting fees increased by $107 during 2023 due to increased legal fees incurred pursuant to the various transactions entered during the year, due diligence fees and tax advise relating to transactions.

General and administrative expenses include salary costs for five employees of the Company, website and marketing development fees. The $1.179 million increase in general and administrative charges during 2023 was mainly driven by an increase in salaries due to the addition of the Chief Operating Officer and the accrual of 12 months of salaries for the remaining employees, versus only 8 months during 2022 for the CEO and CFO, increased marketing costs, the Company's listing on the OTC in the US and costs associated by the increased level of activities in the company.

Stock-based compensation expense also increased year-over-year due to the stock options and equity incentive units ("EIU") granted to all employees as well as deferred stock units being issued to Board members as directors' compensation. 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.

Total assets have increased significantly from 2021 to 2023 primarily due to increased investment activity, investing further into BSL, MagIron, Maginito, and Ceibo, and upward revaluation of the investments made.

SUMMARY OF QUARTERLY RESULTS

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

$000's except per share	2023				2022			
Amounts	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Income (loss) and comprehensive loss for the period	(3,340)	3,249	10,376	(521)	(282)	(113)	2,262	(350)
Net income (loss) per common share								
Basic	($0.06)	$0.06	$0.19	($0.01)	($0.01)	($0.00)	$0.07	($0.02)
Diluted	($0.06)	$0.06	$0.19	($0.01)	($0.00)	$0.06	$0.02	($0.01)

The Company recorded a loss on its investments of $2,001 primarily due to FX movements in the USD to CAD. Costs during the period were primarily driven by general and administrative expenses of $788, legal fees of $51, stock-based compensation of $346, accounting review and audit fees of $61, and interest expense for loans outstanding of $91. Costs were offset by $6 in interest earned on the IZ Loan.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company has accumulated a deficit of $90,030 as at December 31, 2023. For the year ended December 31, 2023, the Company used cash in operating activities totalling $3,777. The Company had cash and cash equivalents of $1,282 and a working capital surplus of $278 as at December 31, 2023.

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 and realize its assets and discharge its liabilities in the normal course of business. 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 December 31, 2023 the Company had investments with a total book value of $33,703, current assets of $1,801, offset by current liabilities of $1,523 and non-current liabilities of $3,301. Current liabilities and non-current liabilities include obligations to related parties totalling $2,426.

On January 10, 2023, the Company completed a second tranche of a non-brokered private placement that was announced on December 20, 2022 ("December Private Placement"). Pursuant to this closing, the Company issued a total of 2,651,000 Units at a price of C$0.50 per subscription receipt for gross proceeds of $1,326. 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$0.75 for a period of 12 months following the issuance of the Units.

On February 2, 2023, the Company completed a third tranche of a non-brokered private placement that was announced on December 20, 2022 (“December Private Placement”). Pursuant to this closing, the Company issued a total of 5,069,796 Units at a price of C$0.50 per subscription receipt for gross proceeds of $2,535. 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$0.75 for a period of 12 months following the issuance of the Units.

On March 1, 2023, the Company announced a non-brokered private placement of up to 7,150,00 Units (“March Private Placement”). On March 9, 2023, the Company closed the March Private Placement, and issued a total of 7,153,210 Units at a price of C$0.50 per subscription receipt for gross proceeds of $3,577. 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$0.75 for a period of 12 months following the issuance of the Units.

On November 30, 2023, the Company announced a non-brokered private placement of up to 3,333,333 Units (“December Private Placement”). On December 1, 2023, the Company completed the initial closing of the December Private Placement and issued a total of 1,991,800 Units at a price of C$0.75 per subscription receipt for gross proceeds of $1,494. 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$1.25 for a period of 12 months following the issuance of the Units.

On December 19, 2023, the Company completed the second and final closing of the December Private Placement and issued a total of 607,276 Units at a price of C$0.75 per subscription receipt for gross proceeds of $456. 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$1.25 for a period of 12 months following the issuance of the Units.

TRANSACTION WITH RELATED PARTIES

All related party transactions were incurred in the normal course of operations and are recorded at the amount agreed upon by the 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 salary, consulting fees and other compensation of key management personnel were as follows for the year ended December 31, 2023, and 2022:

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

	Dec. 31, 2023 $	Dec. 31, 2022 $
Short-term salaries and benefits	(1,391)	(970)
Share-based compensation	(530)	(339)
Total	**(1,921)**	**(1,309)**

Short-term salaries, fees and benefits comprise $1,391 paid and accrued salaries for the CEO, COO and CFO.

Other Related Party Transactions

As at December 31, 2023, 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. $575 was accrued for salaries for both the CEO and CFO which is included in accrued liabilities.

On June 29, 2022, the Company entered into an unsecured loan agreement with Kings Chapel International Ltd. ("Kings Chapel") for an amount of GBP500,000 or $781 ("Kings Chapel Loan 1"). The purpose of the Kings Chapel Loan 1 was to fund the Mkango Loan. Kings Chapel is associated with the Company's CEO, Julian Treger. The Kings Chapel Loan bears interest of 5% per year compounded annually and shall be due and payable on the maturity date, June 29, 2024. This financial liability has been classified and measured at amortized cost. 50% of the loan principal was repaid on January 11, 2023, and the remaining 50% was repaid on February 2, 2023. The remaining GBP14,110 in accrued interest was repaid on December 4, 2023.

On September 6, 2022, the Company entered into a second unsecured loan agreement with Kings Chapel for an amount of GBP250,000 or $378 ("Kings Chapel Loan 2"). The purpose of the Kings Chapel Loan 2 was to partly fund Mkango Loan 2. The Kings Chapel Loan 2 carries the same terms as the Kings Chapel Loan 1 ("Kings Chapel Loans"). 50% of the loan principal was repaid on January 11, 2023, and the remaining 50% was repaid on February 2, 2023. The remaining GBP4,692 in accrued interest was repaid on December 4, 2023.

On November 23, 2022, the Company entered into a third unsecured loan agreement with Kings Chapel for an amount of $300 ("Kings Chapel Loan 3"). The purpose of the Kings Chapel Loan 3 was to fund the IZ Bridge Loan. The Kings Chapel Loan 3 carries the same terms as the Kings Chapel Loan 1 and 2 ("Kings Chapel Loans"). 100% of the loan principal was repaid on February 1, 2023. The remaining $4 in accrued interest was repaid on December 4, 2023.

On February 28, 2023, the Company entered into a fourth unsecured loan agreement with Kings Chapel for an amount of $475 ("Kings Chapel Loan 4"). The purpose of the Kings Chapel Loan 4 was to fund the MagIron additional investment. The Kings Chapel Loan 4 carries the same terms as the Kings Chapel Loan 1, 2, and 3, except that the Kings Chapel Loan 4 matures on March 1, 2025. 100% of the loan and interest was repaid on December 4, 2023.

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 year ended December 31, 2023, $126 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 year ended December 31, 2023, $9 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 year ended December 31, 2023, $50 was incurred for accrued interest for the Kings Chapel Loan Facility.

On August 11, 2021, 2,305,831 EIUs were granted to the CEO of the Company. Each EIU is equivalent in value to one common share of the Company, and will vest on the earlier of i) August 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. In order to measure the fair value of the EIUs awarded on August 11, 2021, management used Monte Carlo simulation to determine the expected value based on the ending share prices as at the Vesting Date. The fair value of the EIU as at the grant date of $153. The expense will be recognized during the vesting period. For the year ended December 31, 2023, an expense in the amount of $50 has been recognized.

During April 2022, EIUs in the amount of 7% of the new common shares issued, or 797,342 EIUs, for the private placement in connection with the transition to the TSX-V, have been awarded to the CEO on the date the Company listed on the TSX-V. The agreement for the EIUs in the amount of 7% of the new common shares issued stipulate the same vesting conditions and settlement via cash payment as the EIUs awarded on August 11, 2021, however settlement via Common Shares will not be issued from Treasury but rather would be purchased by or on behalf of the Company over the facilities of the primary stock exchange on which the Common Shares are listed. Thus, these EIUs will be treated as a liability-classified award, with any changes in fair value to be reflected as share-based compensation expense.

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.

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.

Following the listing of the Company on the TSX-V during April 2022, the Company issued the Chairman EIUs equal to 1.75% of the number of Common Shares issued, or 199,335 EIUs, pursuant to the Financing. The EIUs will vest and be settled on the earlier of (i) September 30, 2024, provided that the 30-day volume weighted average trading price of the Common Shares as of that date on the principal stock exchange on which they are then traded is at least $0.50 and (ii) the date on which the Company completes a change of control transaction, provided in either case that the Chairman continues to be a member of the Board as of the vesting date. Subject to vesting, the Company will, no later than 10 days after the vesting date in respect of every Unit, deliver to the Chairman, in its discretion, either (i) one Common Share (which will not be issued from treasury but rather would be purchased by or on behalf of the Company over the facilities of the primary stock exchange on which the Common Shares are listed) or (ii) a cash payment equal to the volume weighted average closing price of the Common Shares on the primary stock exchange on which the Common Shares are then listed for the five trading days immediately preceding the vesting date or, if the Common Shares are not listed and posted for trading on any stock exchange, the fair market value of the Common Shares as determined by the board of directors of the Company in its sole discretion. These EIUs will be treated as a liability-classified award, with any changes in fair value to be reflected as share-based compensation expense.

The fair value of the 996,677 EIUs awarded to the CEO and Chairman during April 2022 was determined as $565 as at December 31, 2023. The fair value of the EIUs was calculated using Monte Carlo simulation with an expected volatility of approximately 66% based on historical volatility. This was determined by using Monte Carlo simulation to estimate the expected value by averaging the ending stock prices as at the Vesting Date over 10,000 simulations as at December 31, 2023. For the year ended December 31, 2023, $282 was added to the non-current liability and recorded as share-based compensation expense for the vesting of these EIUs and any changes in fair value.

The EIUs and stock options that were allotted during November and December 2023, were issued on February 20, 2024.

On November 27, 2023 210,000 EIUs were granted to the CEO of the Company. Each EIU is equivalent in value to one common share of the Company, and will vest on the earlier of i) December 31, 2025, 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. In order to measure the fair value of the EIUs awarded on November 27, 2023 management used Monte Carlo simulation to determine the expected value based on the ending share prices as at the Vesting Date. The fair value of the EIU as at the grant date of $84. The expense will be recognized during the vesting period. For the year ended December 31, 2023, an expense in the amount of $3 has been recognized.

On December 1, 2023 139,426 EIUs were granted to the CEO of the Company. Each EIU is equivalent in value to one common share of the Company, and will vest on the earlier of i) December 31, 2025, 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. In order to measure the fair value of the EIUs awarded on December 1,2023 management used Monte Carlo simulation to determine the expected value based on the ending share prices as at the Vesting Date. The fair value of the EIU as at the grant date of $44. The expense will be recognized during the vesting period. For the year ended December 31, 2023, an expense in the amount of $2 has been recognized.

On December 19, 2023 42,509 EIUs were granted to the CEO of the Company. Each EIU is equivalent in value to one common share of the Company, and will vest on the earlier of i) December 31, 2025, 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. In order to measure the fair value of the EIUs awarded on December 19, 2023 management used Monte Carlo simulation to determine the expected value based on the ending share prices as at the Vesting Date. The fair value of the EIU as at the grant date of $17. The expense will be recognized during the vesting period. For the year ended December 31, 2023, an expense in the amount of $0 has been recognized.

The Company granted the CEO options in the amount of 569,530 on the date on which the Company listed on the TSX-V so that, as of that date, he held options to purchase a total number of Common Shares equal to 5% of the Company's issued and outstanding Common Shares. The options have an exercise price of $0.55, being the closing price of the trading day following the date on which the shares were re-listed on the TSX-V, a term of 10 years and will be subject to vesting over three years, using a graded vesting approach applied for accounting purposes with 1/3 of each option grant vesting each year subject to their continued employment with or engagement by the Company.

In connection with the warrants exercised in September 2022, 202,020 stock options have been granted to the CEO of the Company pursuant to the Company's 10% rolling stock option plan so that, as of that date, he held options to purchase a total number of Common Shares equal to 5% of the Company's issued and outstanding Common Shares. The options have an effective grant date of September 7, 2022 and are exercisable for a period of 10 years at a price of $0.46 per common share, with 1/3 of the options vesting every 12 months, over a 3-year period.

In connection with the December Private Placement and March Private Placement, 806,905 stock options have been granted to the CEO of the Company on April 24, 2023 pursuant to the Company's 10% rolling stock option plan so that, as of that date, he held options to purchase a total number of Common Shares equal to 5% of the Company's issued and outstanding Common Shares. The options are exercisable for a period of 10 years, at a share price of $0.55 per common share, with 1/3 of the options vesting every 12 months, over a 3-year period. $99 was recorded as an expense during the year ended December 31, 2023.

In connection with the warrants exercised in September 2022, 282,828 EIUs have been awarded to the CEO of the Company so, as of that date, they held EIUs equal to 7% of the number of Common Shares issued. The fair value of the EIUs was calculated using Monte Carlo simulation. The fair value of the 282,828 EIUs awarded to the CEO was determined to be $99 as at September 7, 2022 using an expected volatility of approximately 113% based on historical volatility over 10,000 simulations. As at December 31, 2023, the fair value of the EIUs was 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 Date over 10,000 simulations. For the year ended December 31, 2023, $86 was added to the non-current liability and recorded as share-based compensation expense for the vesting of these EIUs and any changes in fair value.

In connection with the December Private Placement and March Private Placement, 1,129,668 EIUs were awarded to the CEO of the Company. The fair value of the 1,129,668 EIUs awarded to the CEO was determined to be $725 as at December 31, 2023 using an expected volatility of approximately 66% based on historical volatility over 10,000 simulations. For the year ended December 31, 2023, $371 was added to the non-current liability and recorded as share-based compensation expense for the vesting of these EIUs and any changes in fair value.

The Company granted the Chairman options in the amount of 142,382 on the date on which the Company was listed on the TSX-V so that, as of that date, he held options to purchase a total number of Common Shares equal to 1.25% of the Company's issued and outstanding Common Shares. The options have an exercise price of $0.55, being the closing price of the trading day following the date on which the shares were re-listed on the TSX-V, a term of 10 years and will be subject to vesting over three years, using a graded vesting approach applied for accounting purposes with 1/3 of each option grant vesting each year subject to their continued employment with or engagement by the Company.

On April 24, 2023, the Company granted an aggregate of 825,000 stock options to the COO, CFO, and other management of the Company pursuant to the Company's 10% rolling stock option plan. The options are exercisable for a period of 10 years, at a share price of $0.55 per common share, with 1/3 of the options vesting every 12 months, over a 3-year period. $147 was recorded as an expense during the year ended December 31, 2023.

On November 27, 2023, the Company allotted an aggregate of 150,000 stock options to the CEO of the Company pursuant to the Company's 10% rolling stock option plan so that, as of that date, they held options to purchase a total number of Common Shares equal to 5% of the Company's issued and outstanding Common Shares. The options have an effective grant date of November 27, 2023 and are exercisable for a period of 10 years, at a share price of $0.75 per common share, with 1/3 of the options vesting every 12 months, over a 3-year period. $5 was recorded as an expense during the year ended December 31, 2023.

On December 1, 2023, the Company allotted an aggregate of 99,590 stock options to the CEO of the Company pursuant to the Company's 10% rolling stock option plan so that, as of that date, they held options to purchase a total number of Common Shares equal to 5% of the Company's issued and outstanding Common Shares. The options have an effective grant date of December 1, 2023 and are exercisable for a period of 10 years, at a share price of $0.75 per common share, with 1/3 of the options vesting every 12 months, over a 3-year period. $2 was recorded as an expense during the year ended December 31, 2023.

On December 19, 2023, the Company allotted an aggregate of 30,364 stock options to the CEO of the Company pursuant to the Company's 10% rolling stock option plan so that, as of that date, they held options to purchase a total number of Common Shares equal to 5% of the Company's issued and outstanding Common Shares. The options have an effective grant date of December 19, 2023 and are exercisable for a period of 10 years, at a share price of $0.75 per common share, with 1/3 of the options vesting every 12 months, over a 3-year period. $0 was recorded as an expense during the year ended December 31, 2023.

On April 14, 2022, the Company awarded the CEO a cash bonus of $200 subject to the Company being listed on the TSX-V. An accrual of $200 related to the aforementioned bonus is included in accrued liabilities as at December 31, 2023.

On April 14, 2022, the Company awarded the Chairman a cash bonus of $50 subject to the Company being listed on the TSX-V. An accrual of $50 related to the aforementioned bonus is included in accrued liabilities as at December 31, 2023.

SUBSEQUENT EVENTS

Warrant Exercise and Expiry

On February 15, 2024, the Company received $975 from the exercise of 1.3 million warrants at C$0.75.

Following the financial year-end, a total of 10,982,114 warrants have expired.

Normal Course Issuer Bid ("NCIB")

On January 23, 2024, the Company announced its intention to commence a NCIB on January 29, 2024, for a 12-month period. Under the NCIB the Company is entitled to purchase up to 3,011,325 of the Company's common shares. The Company engaged PI Financial Corp to act as its broker for the NCIB.

Stock Options

On January 26, 2024, the Company announced that the Company has granted an aggregate of 279,954 incentive stock options (the "Options") to the CEO pursuant to the Company's 10% rolling stock option plan. The Options have an effective grant date of January 25, 2024, and are exercisable for a period of 10 years at a price of $0.75 per common share, with 1/3 of the Options vesting every 12 months, over a 3-year period.

Deferred Share Units and Stock Options

On February 20, 2024, the Company announced that the Company has granted an aggregate of 333,335 deferred share units to non-executive directors of the Board of Directors ("Board"). Furthermore, the Company granted an aggregate 730,000 incentive stock options (the "Options") to an officer, management and employees of the Company. The Options vest over a three (3) year term, are exercisable at C$0.75 per share, being the higher of the closing share price on the day preceding the award and the price of the latest fundraise and are valid for a ten-year period. The Options have been granted under and are governed by the terms of the Company's Omnibus Equity Incentive Plan and are subject to the policies of the TSX Venture Exchange.

Director Changes

On March 4, 2024, the Company announced the appointment of Retired Vice-Admiral Robert "Bob" Harward to its Board of Directors (the "Board") effective March 4, 2024.

Deferred Share Units and Restricted Share Units

On March 6, 2024, the Company announced that the Company has granted 66,667 deferred share units ("DSU's") to a non-executive director of the Company and 53,333 restricted share units to an advisor to the Board of Directors.

Formation of Incorporated Joint Venture for HyProMag USA

On January 2, 2024, the Company, together with Maginito, formed an incorporated US joint venture, HyProMag USA, for the roll-out of the HyProMag technology into the US on a 50:50 basis. HyProMag also sublicensed the HPMS technology to HyProMag USA

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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these 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.

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 by using company-specific information and other inputs that are not based on observable market data. Some of the significant unobservable inputs used in the valuation of such investments are the discount rate, success factor, and investee's valuation used in subsequent equity financing transactions (Note 6 in the 2023 Financial Statements).

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.

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 significant amount of new investment into the investee's 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.

During the year ended December 31, 2023, the Company determined that there was sufficient evidence from external transactions in the investees' equity which are indicators that initial cost might no longer be representative of fair value. The Company used these external transactions to support the valuation of the Company's investments into Maginito Limited ("Maginito"), Binding Solutions Limited ("BSL"), and MagIron LLC ("MagIron"). Management also applied a success factor in order to reflect management's expectation of the project being successful as well as the likelihood of a liquidity event for both Maginito and MagIron.

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.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

BALANCE SHEET ARRANGEMENTS

At December 31, 2023, 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.

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 APRIL 29, 2024

a) Authorized and issued Share Capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	65,042,531

b) Summary of Options Outstanding:

Date of Issue	Expiry Date	Exercise Price	Number of Options
September 24, 2021	September 24, 2031	$0.30	800,900
October 8, 2021	October 8, 2031	$0.45	200,225
April 19, 2022	April 19, 2032	$0.55	237,304
September 7, 2022	September 7, 2032	$0.46	67,340
April 24, 2023	April 24, 2033	$0.50	1,631,906
January 26, 2024	January 26, 2034	$0.75	279,954
February 16, 2024	February 16, 2034	$0.75	730,000

c) Summary of Warrants Outstanding:

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

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 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.sedarplus.com.