

COTEC HOLDINGS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED – DECEMBER 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 April 29, 2026. Information herein is provided as of April 29, 2026, 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, 2025, and 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”). These statements are filed with the relevant regulatory authorities in Canada. All amounts herein are expressed in Canadian dollars, unless otherwise indicated.

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.

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.

The Independent Qualified Person as defined by NI 43-101 for the Lac Jeannine Mineral Resource, Mr. Christian Beaulieu, P.Geo., is a member of l’Ordre des géologues du Québec (#1072). The Qualified Person has reviewed and approved the scientific and technical content of this MD&A relating to the Lac Jeannine Mineral Resource

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 symbols 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 and
- 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 2025 Year

Operational

- The Company reported a net loss of \$19.2 million for the year compared to cash used in operating activities of \$5.0 million. The net loss for the year includes \$7.7 million non-cash accounting provisions - adjustments to equity investments, share based compensation and discounting of HyProMag USA LLC (“HyProMag USA”) receivable - and \$5.5 million proportionate share of loss of associates and joint venture accounted for using the equity method.
- Projects in Execution
 - HyProMag USA LLC (“HyProMag USA”):
 - Entered a pre-processing site sharing and feedstock supply agreement with Intelligent Lifecycle Solutions Inc. (“ILS”).
 - ILS commenced stockpiling of electronic waste material.
 - Purchased three Inserma pre-processing and printed circuit board (“PCB”) separation units which were delivered at the ILS facilities in February 2026.
 - Expanded magnet production capacity to 941 metric tons per annum of recycled sintered NdFeB magnets and 611 metric tons per annum of associated NdFeB co-products (total payable capacity – 1,552 metric tons NdFeB) over a 40-year operating life.
 - Finalized the lease agreement for its proposed rare-earth magnet recycling and manufacturing facility in Dallas-Fort Worth, Texas.
 - Made significant progress in its detailed design and engineering for the Dallas-Fort Worth facility and expanded the design to include three Hydrogen Processing of Magnet Scrap (“HPMS”) vessels.
 - Advanced financing discussions with commercial banks and continued engagement with the US Government.
 - Commenced concept study to evaluate the expansion of its operations into Nevada and South Carolina.
 - MagIron LLC (“MagIron”):

- Successfully completed independent pilot-scale program confirming the technical viability of its new flow sheet for the concentration plant – demonstrating exceptional iron recovery rates and concentrate quality.
- Secured five new State of Minnesota in-situ iron ore mining leases, covering an area of 760 acres, to explore, mine and process hematite iron formation located in Itasca County for a period of 20 years, commencing January 1, 2026.
- Acquired the Reynolds Pellet Plant, a modern straight grate, past-producing, restart-ready pelletizer benefiting from approximately US\$440 million of prior investment.
- Made significant progress towards the completion of its Independent Definitive Feasibility Study and Reserve and Resource Statement for the restart of its Plant 4 concentrator and the Reynolds Pellet Plant. The study was released in January 2026.
- Engaged Primetals Technologies to assist in the evaluation of a US based merchant pig iron strategy.
- Lac Jeannine Project:
 - Completed infill and expansion drilling.
 - Engaged Quebec-based BBA Inc. to complete a bankable Feasibility Study on the project.

Corporate

- Completed a Listed Issuer Financing Exemption Offering (“LIFE Offering”) and concurrent Private Placement (“Private Placement”) (together the “Offering”) of up to an aggregate of \$10 million announced on May 20, 2025. Raised an aggregate \$13.5 million under the Offering.
- Secured and converted an aggregate \$6.9 million of convertible loans from Kings Chapel into common shares of the Company at a price of \$0.75, of which \$2 million was converted voluntarily followed by an automatic conversion of the remaining \$4.85 million as a result of the volume weighted average trading price of the Company’s Common Shares on the TSX Venture Exchange (the “TSXV”) over the immediately preceding 15 trading days being greater than \$1.00.
- Secured a \$6.6 million convertible loan facility from Kings Chapel International Limited (“Kings Chapel”) and Epic Capital Management Inc. (“Epic Capital”).
- Partnership with McGill University to commence Project Wavecracker™ targeting application of Microwave Technology to accelerate sulphide copper leaching.

Recent Developments and Outlook

Operationally, CoTec’s key focus is the continued roll-out of HyProMag USA where significant progress has been made such as securing the facility for the first hub in Texas, supply agreement with ILS, commencement of stockpiling, ongoing discussions with potential financiers, ordering

of long-lead items underway and commissioning of expansion studies to increase the business to three hubs. At Lac Jeannine, CoTec completed the 2025 infill and expansion drilling campaign, which started on August 4, 2025, and engaged BBA to complete the bankable feasibility study for the project.

MagIron continued to make steady progress towards the completion of its Independent Definitive Feasibility Study and Reserve and Resource Statement which was announced in January 2026. It also completed the purchase of the Reynolds Pellet Plant which was previously integrated with the iron ore concentrating facility in Minnesota.

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

Maginito and HyProMag USA Joint Venture (“HyProMag USA” or the “Project”) 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 Magnetic Scrap (“HPMS”) in the USA which recovers REE containing powder from permanent magnets and will use the recovered powder 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 a 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 end-to-end recycling and neodymium iron boron (“NdFeB”) magnet production facility in Texas (“Texas Hub”). During the fourth quarter of 2025, HyProMag USA issued an update to the project’s valuation (the “Update”). The results of the Feasibility Study and the Update are summarized below:

	<u>Feasibility Study</u>	<u>Update</u>
HPMS vessels	2	3
Target annual production		
- NdFeB magnets	750 metric tons per annum	941 metric tons per annum
- NdFeB co-products	291 metric tons per annum	611 metric tons per annum
NPV7% based on prevailing market price – post tax	US\$262 million	US\$409 million
Real IRR based on prevailing market price	23%	27.6%
NPV7% based on forecast pricing – post tax	US\$503 million	US\$780 million
Real IRR based on forecast pricing	31%	38.7%
Operating life	40 years	40 years

Average market price	US\$55 per kilogram	US\$56.8 per kilogram
All-in sustaining cost	US\$19.6 per kilogram	US\$22.3 per kilogram

Other key aspects of the Update include optimized layout that allows for the inclusion of an additional two furnaces within three years following commissioning for an additional capital cost of approximately US\$3 million; increase in up-front capital cost from US\$125 million to US\$142 million (inclusive of an 8.2% contingency margin and Class 2 AACE estimated detailed design study and engineering costs) over a one-year construction phase; and payback at current market prices in 3.1 years and 2.2 years at forecast market prices.

During December 2025, HyProMag USA finalized the lease for 50% of Building 1 Ironhead Commerce Center, approximately 128,000 square feet, to house the proposed Texas Hub. The facility is strategically located next to critical infrastructure, the BNSF intermodal rail link and the Alliance Airport.

The Company is evaluating 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.

During the third quarter 2025, HyProMag USA entered a feedstock supply and pre-processing site share agreement with global electronics recycling company, ILS. In terms of the agreement, the Project’s pre-processing facilities will be based on the ILS sites in South Carolina and Nevada and ILS will provide hard disk drive (“HDD”) feedstock to HyProMag USA. During the fourth quarter 2025, this arrangement was extended to bulk NdFeB feedstock including rotors from electric motors, wind turbine magnets, speakers and MRI machines. A joint Technical Procurement team was set up between ILS and HyProMag USA to oversee the procurement process. Stockpiling of end-of-life electronic scrap has commenced and to date, ILS has engaged with several potential suppliers to establish consistent feed of magnet scrap.

HyProMag USA has also purchased three Inserma machines for pre-processing of the end-of-life electronic scrap material. The machines, currently located in South Carolina and Nevada, were delivered early 2026 and are ready for use. This is expected to accelerate the stockpiling of HDDs by ILS.

The Project has received a Make More in America (MMIA) domestic finance letter of interest (“LOI”) from the U.S. Export-Import (“EXIM”) Bank for its first integrated rare earth recycling and magnet-making facility in Dallas-Fort Worth, Texas. In terms of the letter, EXIM may be able to consider potential financing of up to \$92 million of the project’s costs with a repayment tenor of 10 years.

In addition to the EXIM LOI, discussions with two commercial banks in relation to potential project finance for the Project are progressing well and are in due diligence phase, whilst discussions with several US federal and state government bodies to support funding and other incentive opportunities remain ongoing.

Maginito continues to progress commissioning and construction of the HyProMag plants in the UK and Germany, respectively. Prior to year-end, Maginito announced first production runs of recycled rare earth alloy from the commercial-scale HPMS vessel at Tyseley Energy Park in Birmingham, UK and the German plant is expected to be commissioned late 2026.

Lac Jeannine Property (100% Option to Acquire)

In Q2 2025, CoTec engaged a drilling contractor and obtained all the necessary permits to perform the 2025 drill-program which commenced on August 4, 2025 and was successfully completed by 403 Drilling Limited on August 27, 2025. Core samples were sent for analysis to Corem, and assays are expected in H1, 2026. During Q4, 2025, the Company engaged BBA to conduct the feasibility study for the Lac Jeannine project.

CoTec entered an exclusivity and collaboration agreement with Salter Cyclones Limited (“Salter”) during Q2, 2025, for use of its multi gravity technology for the recovery of ultra fine iron and manganese (“Salter Technology”). The successful recovery of ultra fine material from Lac Jeannine could add further significant value to the Lac Jeannine project. Bulk material was secured as part of the Lac Jeannine 2025 drill-program to test the Salter Technology and the Company purchased its first commercial scale multi gravity separation machine (“MGS”) from Salter during Q4, 2025 to facilitate the testing. The MGS will be based at Corem’s testing laboratory in Quebec, Canada, where it will be used to support the Lac Jeannine Feasibility Study as well as testing on future CoTec projects.

Engagement 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 is ongoing and progressing well.

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.

Binding Solutions Limited (“BSL”)(3%)

Following the successful completion of its Blast Furnace trial with British Steel in Q2, BSL focused on commercializing and refining its product offering as it looks to progress to larger-scale trials.

BSL has made significant improvements in its DR pellet offering with pellet specifications equivalent to seaborne indurated pellets. BSL ran successful basket trials in the Middle East and plans to run further basket trials over the next 6 months, as well as larger scale trials with Salzgitter on its uDral plant.

Following its presentation at the Fastmarkets conference in Barcelona, BSL has seen significant interest in its technology from miners and steel mills around the world. Following its Climate Innovator award from Bloomberg earlier in the year, BSL has been shortlisted by Mining Magazine for awards in Net Zero and Mineral Processing. BSL was also awarded three ISO

certificates (ISO 9001, 14001, and 45001) recognizing the quality of the work the BSL team is delivering at its Technology Centre.

BSL remains committed to running larger scale trials at its demonstration plant. BSL signed an MOU with a trading company for the development of Cold Agglomerated Pellets and a pathway to potential funding of a plant. BSL is engaged with several miners and steel mills for supply and offtake agreements, which it plans to sign in the coming months. In Q4, BSL completed a \$5m equity financing with existing shareholders to fund working capital as it ramps up focus on its first-of-a-kind demonstration plant. BSL has continued market engagement with mining and steel companies and commenced supply & off take discussions for its demonstration plant at the HES Bulk Terminal in Rotterdam.

At its Technical Centre, BSL continues to make developments and improvements for a range of different iron ores and iron ore types. In Q4, BSL was successful in producing a Cold Agglomerated Pellet produced from 100% Pilbara goethitic ore, achieving equivalence in performance to a seaborne indurated pellet. BSL also saw success in reduced curing temperatures moving from <150C to <100C for certain pellets and product types and will continue development in both these areas. Following these developments, BSL has been negotiating an MOU with a key shareholder for further development on Pilbara ores and the Australian market.

BSL continues to attend and present at a number of conferences in the sector, both commercial and technical, and has ramped up engagement with steel mills for larger scale trials with a key focus on European, Middle Eastern and US steel mills across Blast Furnace and Direct Reduction applications.

Going into 2026, BSL's focus will be on signing MOUs with suppliers and off-takers for its demonstration plant. BSL will be continuing development programmes with other iron ore miners to determine suitable pellet solutions and will be conducting larger scale trials from its pilot plant for third-party testing.

MagIron (16.5%)

MagIron is the third of CoTec's steel investments. MagIron is a U.S.-based private company which acquired an iron ore project, including the Plant 4 concentrator, which 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 16.5% undiluted equity interest in MagIron.

During the year, CoTec participated in a series of equity raises for an aggregate amount of USD1.1 million, or \$1,473, to maintain its equity interest. Subsequent to year-end, the Company also exercised 120,773 warrants with a strike-price of US\$0.6624 per share.

MagIron recent equity investments were completed at US\$5.21 per MagIron share, representing an increase in the Company's initial investment valuation price.

The increase in the share issue price compared to the value at initial investment was driven by the enterprise valuation determined by MagIron's board of managers ("Board of Managers") 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.

During the year, MagIron acquired the Reynolds Pellet Plant (“RPP”) based in Indiana. The RPP is a modern straight grate, past-producing, restart-ready pelletizer benefiting from approximately USD\$440 million of prior investment. The facility has previously operated at an annualized run-rate of approximately 2.2 million tonnes per annum (“mtpa”) of pellets and was designed to expand to 3.0 mtpa of pellets with limited additional capital. The RPP was previously integrated with MagIron’s existing Plant 4 iron ore concentrating facility in Minnesota before being placed into care and maintenance in 2016.

On January 25, 2026, MagIron announced the results of its Independent Definitive Feasibility Study and Reserve and Resource Statement for the restart of its facilities. Highlights from the study include base-case after-tax NPV (4.9%) of approximately US\$1.598 billion and an internal rate of return of 27.60%; payback period of approximately 3 years and 7 months; mine life of approximately 32 years; up-front capital costs of approximately US\$435 million, with approximately US\$190 million associated with mining and rail equipment which is expected to be leased; average annual DR-grade pellet production of approximately 2.6 million tonnes; and life-of-mine average cash costs of approximately US\$92.42 per dry metric tonne of DR pellet (FOB RPP).

MagIron is currently in discussions with potential customers and will commence its financing activities for the re-start of its facilities during H1, 2026.

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.

During the year Ceibo achieved another major milestone when it produced its first copper cathode at a demonstration plant in partnership with Chilean copper producer Compañía Minera San Gerónimo (“CMSG”).

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, will be done in cooperation with CoTec as joint partner/investor or on a technology license basis.

In addition to its investment in Ceibo, the Company also commenced to identify other investment opportunities in the copper space where either Ceibo or other technologies could be deployed.

Business Development

The Company continues to assess and evaluate operational opportunities for the application of its technology investment portfolio. The Company is especially focused on the copper industry in this regard and is also evaluating possible opportunities in the iron ore space as well as other selective metals. Attractive opportunities which meet the Company's investment criteria are progressed to the Investment Committee. The Investment Committee meets monthly to review all proposals on investments and capital decisions, and recommend matters for approval to the Board, where appropriate.

Looking ahead, 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, order the long-lead items and complete financing arrangements.

At Lac Jeannine, assay results should become available in H1, 2026, whilst the feasibility study is underway and should be completed during H2 2026. Discussions with all relevant stakeholders in Lac Jeannine are ongoing.

MagIron is in discussions with potential customers and will commence financing for the restart of its facilities during H1, 2026.

RESULTS OF OPERATIONS

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

For the years ended December 31 <i>(\$'000 unless otherwise stated)</i>	2025	2024 <i>(As Restated)</i>	2023 <i>(As Restated)</i>
Income			
Loss on equity securities	(1,220)	309	4,290
Share of (loss) of associates and joint venture accounted for using the equity method	(5,453)	(2,872)	(1,851)
Gain on convertible notes receivable	-	-	1,806
Expenses			
Professional consulting fees	(836)	(580)	(641)
General & administrative expenses	(4,924)	(2,250)	(2,684)
Share-based compensation	(4,232)	(1,688)	(1,622)
Operating income (loss)	(16,665)	(7,081)	(703)
Net finance expense	(2,492)	(903)	(95)
Net (loss)	(19,157)	(7,984)	(795)
Foreign currency translation	210	778	(36)

Comprehensive (loss)	(18,947)	(7,206)	(834)
Total assets	30,389	24,764	22,321

During the year the Company recorded a loss on equity securities of \$1.2 million. This loss mainly comprised of:

- Revaluation of MagIron warrants which resulted in a loss of \$37 thousand;
- Revaluation and foreign exchange movement of BSL equity investment which resulted in a loss of \$1.1 million; and
- Foreign exchange movement of Ceibo investment which resulted in a loss of \$0.1 million.

Professional consulting fees increased by \$0.26 million during 2025 due to increased legal fees reflecting higher transaction related activities during the year compared to 2024, meaning more due diligence and tax advisory fees relating to transactions.

General and administrative expenses inter alia include salary costs for eight employees of the Company, website and marketing development fees. The \$2.68 million increase in general and administrative charges during 2025 was mainly driven by additional staff and ramp up of overall operations.

Stock-based compensation expense also increased year-over-year due to the stock options, restricted stock units (“RSU”), and equity incentive units (“EIU”) granted to 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 increased significantly from 2024 to 2025 primarily due to increased investment activity, investing further into MagIron, Maginito, and advances to HyProMag USA.

Restatement of Previously Issued Financial Statements

Convertible Notes

During Q3 2025, management identified a misclassification in the accounting for the Company's convertible notes issued on November 1, 2024. The instruments had previously been bifurcated into a debt host and a derivative liability measured at fair value through profit or loss. Upon further review of IAS 32 Financial Instruments: Presentation, management determined that the notes meet the definition of a compound financial instrument, as the conversion feature entitles holders to receive a fixed number of shares at a fixed conversion price. Accordingly, the conversion feature has been reclassified from a derivative liability to equity, and the associated fair value changes have been reversed.

CTA Presentation Error

During Q3 2025, a prior period misclassification and calculation error was identified in the presentation of the cumulative translation adjustment, which had previously been recorded through retained earnings rather than as an adjustment to the carrying value of the related equity-accounted associate. Comparative figures for the year ended December 31, 2024, have been restated.

MagIron LLC (“MagIron”)

During Q4 2025, management changed the accounting for the Company's equity investment in MagIron, initially recognized on January 18, 2022. Upon further review of IAS 28 *Investments in Associates and Joint Ventures*, and discussions with the Company’s auditors, management determined that the Company meets the threshold of significant influence over MagIron, and accordingly, the investment has been restated to the equity method of accounting as applicable to investments in associates. As the investment is denominated in USD, a foreign currency translation adjustment has also been applied in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

The restatement has been applied retrospectively from the date of initial recognition of the investment on January 18, 2022, in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. It was impracticable to determine the period-specific effects for the years ended December 31, 2022 and December 31, 2023, as the financial statements of MagIron for those periods were prepared under US GAAP and required material adjustments to present in accordance with IFRS. Accordingly, the cumulative adjustment has been recognized in the opening statement of financial position as of January 1, 2024, being the earliest comparative period presented. Comparative figures for the year ended December 31, 2024, have been restated.

HyProMag USA

During Q4 2025, upon further review of IAS 28 *Investments in Associates and Joint Ventures*, and discussion with the Company’s auditors, management determined that the carrying amount of cash advances to HyProMag USA should reflect the Company's proportionate share of HyProMag USA's losses, resulting in the recognition of its share of equity losses in HyProMag USA netted against the carrying value of the advances.

A summary of the requisite adjustments on the financial statements for the opening balance sheet as of January 1, 2024, is set forth in the tables below:

	As of Jan 1, 2024 (As Previously Reported)	MagIron Significant Influence adjustment	As of Jan. 1, 2024 (As Restated)
Investments	24,080	(14,926)	9,154
Investments in associate and joint venture	9,623	1,354	10,977
Cumulative translation adjustment	-	86	86
Deficit	(90,030)	(13,658)	(103,689)

A summary of the requisite adjustments on the financial statements for the 3-month period ending March 31, 2024, is set forth in the table below:

	Three months ended Mar. 31, 2024 (As Previously Reported)	MagIron Significant Influence adjustment	Due from HyProMag USA write down	Three months ended Mar. 31, 2024 (As Restated)
Net (loss)	(39)	(1,841)	(428)	(2,308)
Loss on equity investments	1091	(1,415)	-	(324)
Loss on associates	(127)	(426)	(428)	(981)
Net loss per common share	(\$0.00)	(\$0.03)	(\$0.01)	(\$0.04)
Comprehensive (loss) income	(39)	(1,819)	(428)	(2,286)

	As at Mar. 31, 2024 (As Previously Reported)	MagIron Significant Influence adjustment	Due from HyProMag USA write down	As at Mar. 31, 2024 (As Restated)
Investments in equity instruments	25,507	(16,660)	-	8,847
Investments in associate and joint venture	9,655	1,269	-	10,924
Due from HyProMag USA	422	-	(428)	(6)
Deficit	(90,069)	(15,499)	(428)	(105,996)

A summary of the requisite adjustments on the financial statements for the 3-month period ending June 30, 2024, is set forth in the table below:

	Three months ended Jun. 30, 2024 (As Previously Reported)	MagIron Significant Influence adjustment	Due from HyProMag USA write down	Three months ended Jun. 30, 2024 (As Restated)
Net (loss)	1,454	(2,683)	(428)	(1,657)
Loss on equity investments	2,397	(2,257)	-	140
Loss on associates	(73)	(426)	(428)	(927)
Net loss per common share	\$0.02	(\$0.04)	(\$0.01)	(\$0.03)
Comprehensive (loss) income	1,454	(2,661)	(428)	(1,635)

	As at Jun.30, 2024 (As Previously Reported)	MagIron Significant Influence adjustment	Due from HyProMag USA write down	As at Jun.30, 2024 (As Restated)
Investments in equity instruments	28,310	(19,324)	-	8,986
Investments in associate and joint venture	9,705	1,272	-	10,977
Due from HyProMag USA	912	-	(857)	55
Deficit	(88,612)	(18,182)	(857)	(107,651)

A summary of the requisite adjustments on the financial statements for the 3-month period ending Sept 30, 2024, is set forth in the table below:

	Three months ended Sep. 30, 2024 (As Previously Reported)	MagIron Significant Influence adjustment	Due from HyProMag USA write down	Three months ended Sep. 30, 2024 (As Restated)
Net (loss)	(2,193)	(75)	(428)	(2,696)
Loss on equity investments	(501)	351	-	(150)
Loss on associates	(77)	(426)	(428)	(931)
Net loss per common share	(\$0.03)	(\$0.00)	(\$0.01)	(\$0.04)
Comprehensive (loss) income	(2,193)	(53)	(428)	(2,674)

	As at Sep. 30, 2024 (As Previously Reported)	MagIron Significant Influence adjustment	Due from HyProMag USA write down	As at Sep. 30, 2024 (As Restated)
Investments in equity instruments	27,979	(19,143)	-	8,836
Investments in associate and joint venture	9,753	1,038	-	10,791
Due from HyProMag USA	2,052	-	(1,285)	767
Deficit	(90,805)	(18,257)	(1,285)	(110,347)

A summary of the requisite adjustments on the financial statements for the year ending December 31, 2024, is set forth in the table below:

	Twelve months ended Dec. 31, 2024 (As Previously Reported)	Cumulative Translation adjustment	Convertible Loan adjustment	MagIron Significant Influence adjustment	Due from HyProMag USA write down	Twelve months ended Dec. 31, 2024 (As Restated)
Net (loss)	(243)	-	178	(6,205)	(1,714)	(7,984)
Loss on equity investments	4,812	-	-	(4,503)	-	309
Loss on associates	544	-	-	(1,702)	(1,714)	(2,872)
Loss on embedded derivative	(178)	-	178	-	-	-
Net loss per common share	(\$0.00)	\$0.00	(\$0.00)	(\$0.09)	(\$0.03)	(\$0.12)
Comprehensive (loss) income	(978)	1,425	178	(6,117)	(1,714)	(7,206)

	As at Dec. 31, 2024 (As Previously Reported)	Cumulative Translation adjustment	Convertible Loan adjustment	MagIron Significant Influence adjustment	Due from HyProMag USA Write down	As at Dec. 31, 2024 (As Restated)
Investments	29,970	-	-	(20,491)	-	9,479
Investments in associate and joint venture	10,572	690	-	800	-	12,063
Due from HyProMag USA	2,668	-	-	-	(1,713)	955
Embedded Derivative	752	-	(752)	-	-	-
Convertible loan	3,214	-	275	-	-	3,489
Equity component of convertible Loan	-	-	299	-	-	299
Cumulative translation adjustment	735	(45)	-	174	-	864
Deficit	(91,008)	735	178	(19,865)	(1,713)	(111,673)

A summary of the requisite adjustments on the financial statements for the 3-month period ending March 31, 2025, is set forth in the table below:

	Three months ended Mar. 31, 2025 (As Previously Reported)	CTA	Convertible Loan Adjustment	MagIron Significant Influence adjustment	Due from HyProMag USA write down	Three months ended Mar. 31, 2025 (As Restated)
Net (loss)	(1,712)	-	41	(91)	(871)	(2,633)
Loss on equity investments	(200)	-	-	233	-	33
Loss on associates	(128)	-	-	(324)	(897)	(1,349)
Loss on embedded derivative	(42)	-	42	-	-	-
Finance income	6	-	-	-	26	32
Finance expense	(190)	-	(1)	-	-	(191)
Net loss per common share	(\$0.02)	-	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.04)
Comprehensive (loss) income	(1,376)	-	41	(100)	(871)	(2,306)

	As at Mar. 31, 2025 (As Previously Reported)	CTA	Convertible Loan Adjustment	MagIron Significant Influence adjustment	Due from HyProMag USA write down	As at Mar. 31, 2025 (As Restated)
Investments in equity instruments	30,201	-	-	(20,689)	-	9,512
Investments in associate and joint venture	10,827	690	-	899	-	12,416
Due from HyProMag USA	3,349	-	-	-	(2,584)	765
Embedded Derivative	1,237	-	(1,237)	-	-	-
Convertible loan	4,895	-	618	-	-	5,513
Contributed surplus	15,494	-	400	-	-	15,894
Equity component of convertible Loan	-	-	-	-	-	-
Cumulative translation adjustment	1,071	(45)	-	165	-	1,191
Deficit	(92,720)	735	219	(19,955)	(2,584)	(114,305)

A summary of the requisite adjustments on the financial statements for the 3-month period ending June 30, 2025, is set forth in the

table below:

	Three months ended Jun. 30, 2025 (As Previously Reported)	CTA	Convertible Loan Adjustment	MagIron Significant Influence adjustment	Due from HyProMag USA write down	Three months ended Jun. 30, 2025 (As Restated)
Net (loss)	(4,019)	-	460	1,055	(865)	(3,369)
Loss on equity investments	(1,846)	-	-	1,379	-	(467)
Loss on associates	(67)	-	-	(324)	(897)	(1,288)
Loss on embedded derivative	(474)	-	474	-	-	-
Finance income	6	-	-	-	32	38
Finance expense	(238)	-	(14)	-	-	(252)
Net loss per common share	(\$0.06)	-	\$0.01	\$0.02	(\$0.01)	(\$0.04)
Comprehensive (loss) income	(3,933)	-	460	1,046	(865)	(3,292)

	As at Jun.30, 2025 (As Previously Reported)	CTA	Convertible Loan adjustment	MagIron Significant Influence adjustment	Due from HyProMag USA write down	As at Jun.30, 2025 (As Restated)
Investments in equity instruments	28,998	-	-	(19,954)	-	9,044
Investments in associate and joint venture	11,247	690	-	1,210	-	13,147
Due from HyProMag USA	4,265	-	-	-	(3,449)	816
Embedded Derivative	2,009	-	(2,009)	-	-	-
Convertible loan	5,758	-	883	-	-	6,641
Contributed surplus	16,748	-	447	-	-	17,195
Equity component of convertible Loan	-	-	-	-	-	-
Cumulative translation adjustment	1,156	(45)	-	156	-	1,267
Deficit	(96,738)	735	679	(18,900)	(3,449)	(117,673)

A summary of the requisite adjustments on the financial statements for the 3-month period ending Sept 30, 2025, is set forth in the table below:

	Three months ended Sep. 30, 2025 (As Previously Reported)	Convertible Loan Adjustment	MagIron Significant Influence adjustment	Due from HyProMag USA write down	Three months ended Sep. 30, 2025 (As Restated)
Net (loss)	(2,878)	16	(507)	(843)	(4,212)
Loss on equity investments	(426)	-	(183)	-	(609)
Loss on associates	(160)	-	(324)	(897)	(1,381)
Loss on embedded derivative	-	-	-	-	-
Finance expense	(247)	16	-	-	(231)
Finance income	7	-	-	54	61
Net loss per common share	(\$0.03)	\$0.00	(\$0.00)	(\$0.01)	(\$0.04)
Comprehensive (loss) income	(2,878)	16	(515)	(843)	(4,220)
	As at Sep. 30, 2025 (As Previously Reported)	Convertible Loan Adjustment	MagIron Significant Influence adjustment	Due from HyProMag USA write down	As at Sep. 30, 2025 (As Restated)
Investments in equity instruments	29,026	-	(20,590)	-	8,436
Investments in associate and joint venture	12,223	-	1,331	-	13,554
Due from HyProMag USA	6,373	-	-	(4,291)	2,082
Cumulative translation adjustment	1,112	-	148	-	1,260
Deficit	(98,187)	-	(19,407)	(4,291)	(121,885)

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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Amounts		Restated	Restated	Restated	Restated	Restated	Restated	Restated
Net income (loss) the period	(8,943)	(4,212)	(3,369)	(2,633)	(1,323)	(2,696)	(1,657)	(2,308)
Comprehensive income (loss) for the period	(9,129)	(4,220)	(3,292)	(2,306)	(611)	(2,674)	(1,635)	(2,286)
Net income (loss) per common share								
Basic	(\$0.08)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.02)	(\$0.04)	(\$0.03)	(\$0.04)
Diluted	(\$0.08)	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.02)	(\$0.04)	(\$0.03)	(\$0.04)

The Company does not have any cash flow operations yet and therefore income is mainly generated from revaluation of investments. During Q4 2025 the Company recorded a loss of \$8.9 million primarily driven by \$1.4 million loss on investments in associates and joint venture primarily due to equity method accounting, general and administrative expenses of \$2.6 million, finance expenses of \$1.6 million, professional and consulting fees of \$0.2 million, and stock-based compensation of \$2.6 million.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company focuses on investments in disruptive and scalable technology in the mineral extraction industry, and in parallel on acquiring assets to which such technology could be applied.

The Company has experienced recurring operating losses and has an accumulated deficit of \$130.8 million as at December 31, 2025 (December 31, 2024: \$111.7 million - Restated). For the year ended December 31, 2025, the Company used cash in operating activities totalling \$5.0 million (2024: \$2.3 million). The Company had cash and cash equivalents of \$2.3 million and a working capital deficit of \$1.4 million as at December 31, 2025 (2024: \$0.7 million deficit), inclusive of \$1.9 million owed to two directors and an officer of the Company.

As at December 31, 2025, the Company had investments with a total book value of \$21.1 million, current assets of \$2.9 million, offset by current liabilities of \$4.3 million and non-current liabilities of \$5.8 million. Current liabilities and non-current liabilities include obligations to related parties totalling \$5.1 million.

These conditions give rise to material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The annual financial statements have been prepared on a going concern basis, which assumes the Company will realize on its assets and discharge its liabilities for at least twelve months from December 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.

To address the working capital deficiency and support ongoing operations, management's plan includes the following measures:

- During the year ended December 31, 2025, the Company raised approximately \$13.5 million through equity financings, secured and converted \$6.9 million of convertible loan facilities into common shares, and secured \$6.6 million in new convertible loan facilities, of which \$2.2 million was drawn prior to December 31, 2025 and a further \$0.4 million was drawn subsequent to year-end, with up to \$4.0 million remaining available under those facilities;
- During the year ended December 31, 2025, warrant holders exercised warrants generating gross proceeds of \$1,227, and subsequent to December 31, 2025, holders exercised a further 16,062,749 warrants generating gross proceeds of \$18.8 million, which substantially strengthens the Company's near-term liquidity position; and
- Management continues to actively monitor the investment portfolio and, where appropriate, will pursue monetization opportunities to further strengthen the balance sheet.

The going concern assessment is made as at December 31, 2025, based on conditions existing at that date. While the post-year-end warrant proceeds are encouraging, they do not eliminate the uncertainty given the Company's recurring operating losses, working capital deficit of \$1.4 million, and ongoing cash requirements. The Company's directors believe that these measures, together with the ability to secure additional financing as required, will be sufficient to support operations for the foreseeable future; however, there can be no assurance that such financing will be available on terms acceptable to the Company or at all.

Capital Resources - Convertible Loan

On November 19, 2024, the Company entered into a convertible loan agreement (the “2024 Convertible Loan”) with Kings Chapel. The arrangement consolidated and replaced all prior loans owing to Kings Chapel, totalling \$2.4 million, into a single convertible-loan facility up to \$7.1 million on an unsecured basis. The loan bears interest at 10% per annum, calculated daily, compounded annually, and payable in cash upon the earlier of repayment or conversion of the principal. Interest is not convertible into common shares.

During 2024 and 2025, a further \$1 million and \$3.5 million respectively were drawn from the 2024 Convertible Loan resulting in a total principal of \$6.85 million.

The principal amount was convertible at the option of the holder into common shares of the Company at a fixed conversion price of \$0.75 per share subject to certain conversion conditions and regulatory approvals.

On August 4, 2025, Kings Chapel elected to convert \$2 million of the 2024 Convertible Loan into 2,666,667 common shares of the Company at the fixed conversion price of \$0.75 per share. On August 11, 2025, the Company's common shares traded above \$1.00 per share for 15 consecutive trading days, triggering the forced-conversion provision. In connection with the conversion, an additional \$0.5 million was drawn on August 11, 2025 to settle accrued interest, resulting in \$4.85 million of principal being converted on this date by delivering 6,468,515 shares. As at

December 31, 2025, the remaining unpaid interest totalled \$0.2 million. Following these conversions, the Convertible Loan was fully settled, with no principal outstanding at December 31, 2025.

On August 11, 2025, the Company entered into a new convertible loan facility (“2025 Convertible Loans”) with Kings Chapel and Epic Capital, providing for new unsecured convertible-loan facilities of up to \$5 million and \$1.6 million, respectively. These loans bear interest at 10% per annum, are repayable on December 31, 2028, and carry a 2.5% standby fee on undrawn amounts. During 2025, \$2,200 has been drawn from the 2025 Convertible Loans. As at the date of the MD&A, an additional \$400 was drawn from the 2025 Convertible Loan.

The principal amount is convertible at the option of the holder into common shares of the Company at a fixed conversion price of \$1.15 per share subject to certain conversion conditions and regulatory approvals.

Subsequent to year end, the TSXV advised the Company that under TSXV policies, in order to obtain TSXV approval for the conversion of any future draws under the convertible loan facility into Common Shares, the conversion price in respect of those draws must be not less than the market price of the Common Shares on the date of the draw (rather than the \$1.15 conversion price contemplated by the convertible loan facility and applicable to previous draws).

Capital Resources - Private Placement

During 2025, the Company completed the LIFE Offering and Concurrent Private Placement announced on May 20, 2025. The Offering was closed on July 22, 2025, and was 35% oversubscribed with an aggregate 17,339,336 Units being issued for total gross proceeds of \$13.5 million.

During 2025, a total of 1,052,007 warrants were exercised for gross proceeds of \$1.2 million. The warrants were exercised at a weighted average price of \$1.17 per share.

Each Unit consists of one common share in the capital of the Company, and one Common Share purchase warrant. Each Warrant entitles the holder to purchase one Common Share at an exercise price of \$1.20 for a period of 18 months following the issuance of the Units and is subject to certain conditions.

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.

The following table compares the disclosed use of proceeds from the LIFE Offering to actual expenditures as of December 31, 2025:

		Disclosed Use of Proceeds	Expensed to Dec. 31, 2025 (6Mo)
Detailed design and engineering at HyProMag USA	(1)	4,900	7,580
Lac Jeannine drilling program and commencement of bankable feasibility study	(2)	915	620
Other investment obligations	(3)	2,400	1,000
SG&A	(4)	3,122	3,950
Working Capital		773	n/a
Total		12,110	13,150

Summarized explanations of material variances are discussed below:

(1) *HyProMag USA, inclusive of:*

- Letter of credit issued in favour of the Landlord.
- Downpayments on long-lead equipment.
- Expansion studies and additional DDE expenses incurred.

(2) *Lac Jeannine, inclusive of:*

- Progressing as expected.

(3) *Other investment obligations, inclusive of:*

- Cash calls for Maginito budgeted after year-end.
- Delay in the anticipated deployment of capital into an additional technology.

(4) *SG&A inclusive of:*

- Growth in the Company's activities and the expansion of the team.

None of the aforementioned variances has affected the Company's ability to achieve its stated business objectives and milestones other than what is disclosed in this MD&A.

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 Directors, and Board Members 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:

	Dec. 31, 2025	Dec. 31, 2024
Short-term salaries and benefits	2,939	1,362
Share-based compensation expense	1,997	1,364
Total	4,936	2,726

There is \$1,877 of accrued salaries and bonuses included in accrued liabilities for the CEO and CFO.

Other Related Party Transactions

The Company has entered into a series of loans with Kings Chapel International Limited (“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 (refer Note 12 in the Annual Financial Statements).

December 2025 Compensation Agreement (refer to Note 5, and Note 11 in the Annual Financial Statements)

EIUs are accounted for as cash-settled share-based payments and are remeasured at fair value at each reporting date. As at December 31, 2025, 343,483 EIUs had been granted under the December 2025 Compensation Agreement. The fair value of EIUs outstanding at December 31, 2025 was \$2,716, of which \$1,219 is classified as current and \$1,497 is classified as non-current within stock-based compensation liability.

As of December 31, 2025, the fair value of the unvested EIUs were calculated using Monte Carlo simulation using an expected annual volatility of approximately 63% based on historical annual 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 estimated liability for these EIUs would be \$1,729. At \$1.15 per share, the estimated liability would be \$1,807; at \$1.20 per share, the estimated liability would be \$1,886, and at \$1.25 per share the estimated liability would be \$1,964. As at December 31, 2025, the closing share price for the Company on the TSX-V, was \$1.90 per share, which if traded at these levels as of the Vesting Date, would result in a liability over \$1,964.

As of December 31, 2025, 2,409,173 vested EIUs remain unpaid resulting in a liability of \$1,219 to the CEO related to a prior compensation agreement.

EIU's granted to the CEO pursuant to the above-noted arrangement as of December 31, 2025 are presented below:

EIUs Granted during twelve months ended December 31, 2025					
Date of Grant	Vesting Date	Owner	Number Awarded #	Grant Value \$	Value as at Dec. 31, 2025 \$
June 18, 2025	December 31, 2026	CEO	167,032	75	280
July 22, 2025	December 31, 2026	CEO	176,451	128	296
			343,483	\$203	\$576

Balance of Unvested EIUs as of December 31, 2025			
Owner	Number Awarded #	Grant Value \$	Value as at Dec. 31, 2025 \$
CEO	1,571,640	602	1,497
	1,571,640	602	1,497

Stock Options granted to the CEO pursuant to the December 2025 Compensation Agreement as of December 31, 2025 are presented below, including options outstanding to the Board Chairman:

Stock Options Granted during twelve months ended December 31, 2025						
Date of Grant	Expiry Date	Owner	Number Awarded #	Grant Value \$	Exercise Price \$	Term Years
August 13, 2025	August 13, 2035	CEO	245,345	0.69	0.91	10
			245,345			

Balance of Stock Options as of December 31, 2025	
Owner	Number Awarded #
CEO	3,853,971
Board Chairman	430,611
	4,284,582

SUBSEQUENT EVENTS

Warrant Exercises

Subsequent to December 31, 2025, holders exercised a total of 16,062,749 Warrants, generating gross proceeds of \$18,796 for the Company.

Convertible Loans

Subsequent to December 31, 2025, the Company drew an additional \$400 from the Epic Capital convertible loan facility, bringing total drawn amounts under the 2025 Convertible Loans to \$2,600.

TSXV

Subsequent to year end, the TSXV advised the Company that under TSXV policies, in order to obtain TSXV approval for the conversion of any future draws under the convertible loan facility into Common Shares, the conversion price in respect of those draws must be not less than the market price of the Common Shares on the date of the draw (rather than the \$1.15 conversion price contemplated by the convertible loan facility and applicable to previous draws).

No other material events have occurred subsequent to December 31, 2025, that require adjustment to these financial statements.

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 significant 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 may be adjusted if the following indicators determine cost is no longer representative of fair value:

- 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.

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.

Assessment of Control Over Investees

The assessment of whether the Company has control over an investee requires judgment in

evaluating whether the Company has power over the investee, exposure or rights to variable returns from its involvement, and the ability to use its power to affect those returns. Factors evaluated when assessing control include, but are not limited to, the Company's ownership percentage and potential voting rights, the purpose and design of the investee, relevant activities and how decisions about those activities are made, existing rights that give the Company the current ability to direct relevant activities, contractual arrangements with other vote holders, and substantive removal or participation rights held by other parties. Changes in the Company's assessment of whether control exists over an investee would impact whether the investee is consolidated in the Company's financial statements.

Assessment of Significant Influence Over Associates

The assessment of whether the Company has significant influence over an investee requires judgment when the Company holds less than 20% of the voting rights or other indicators of significant influence are not definitive. Factors evaluated when assessing significant influence include, but are not limited to, representation on the board of directors, participation in policy-making processes including participation in decisions about dividends or other distributions, material transactions between the Company and the investee, interchange of managerial personnel, provision of essential technical information, and the existence of potential voting rights that are currently exercisable or convertible. Changes in the Company's assessment of whether significant influence exists would impact whether the investment is accounted for using the equity method as an associate or measured at fair value.

BALANCE SHEET ARRANGEMENTS

At December 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. Nage Capital Management AG, a company associated with Lucio Genovese, is a shareholder of MagIron. As a result, Mr. Treger and Mr. Genovese have recused themselves as it relates to their respective interests 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, 2026**a) Authorized and issued Share Capital:**

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	99,074,056

b) Summary of Options Outstanding:

Date of Issue	Expiry Date	Exercise Price	Number of Options
September 24, 2021	September 24, 2031	\$0.30	1,152,916
October 8, 2021	October 8, 2031	\$0.45	288,229
April 19, 2022	April 19, 2032	\$0.55	711,912
September 7, 2022	September 7, 2032	\$0.46	202,020
April 24, 2023	April 24, 2033	\$0.50	1,631,905
January 26, 2024	January 26, 2034	\$0.75	279,954
February 16, 2024	February 16, 2034	\$0.75	65,000
February 20, 2024	February 20, 2034	\$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
August 13, 2025	August 13, 2035	\$0.91	1,030,345
August 17, 2025	August 17, 2035	\$0.95	420,000
August 25, 2025	August 25, 2035	\$0.97	426,000
September 8, 2025	September 8, 2035	\$1.04	129,000
September 8, 2025	September 8, 2035	\$1.04	100,000

c) Summary of Warrants Outstanding:

Date of Issue	Expiry Date	Exercise Price	Number of Warrants
June 18, 2025	December 19, 2026	\$1.20	6,679,443
June 18, 2025	June 19, 2028	\$0.78	340,062
July 3, 2025	January 4, 2027	\$1.20	2,821,471
July 3, 2025	July 4, 2028	\$0.78	166,126
July 16, 2025	January 17, 2027	\$1.20	5,435,318
July 16, 2025	July 17, 2028	\$0.78	337,751
July 22, 2025	January 23, 2027	\$1.20	1,407,617
July 22, 2025	July 23, 2028	\$0.78	63,780

INTERNAL CONTROL AND DISCLOSURE CONTROLS OVER FINANCIAL REPORTING

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 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 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.