COTEC HOLDINGS CORP. ANNOUNCES $20M PRIVATE PLACEMENT OF UNSECURED CONVERTIBLE DEBENTURES

Vancouver, British Columbia – August 11, 2025 – CoTec Holdings Corp. (TSXV: CTH; OTCQX: CTHCF) ("**CoTec**" or the "**Company**") is pleased to announce that it intends to raise gross proceeds of up to $20M through a non-brokered private placement (the "**Offering**") of unsecured convertible debentures (the "**Convertible Debentures**").

Each Convertible Debenture will bear interest at a rate of 12.5% per annum, calculated and payable semi-annually in arrears, with the first interest payment occurring on February 28, 2027. The Convertible Debentures will mature five years from the date of issue. The principal amount of each Convertible Debenture will be convertible into common shares of the Company ("**Common Shares**") at a price of CAD$1.75 per Common Share at the option of the holder of a Convertible Debenture at any time.

The Convertible Debentures may be redeemed by the Company, in whole or in part, at any time. The redemption price will equal the principal amount being redeemed plus accrued and unpaid interest plus, if the redemption date occurs prior to the third anniversary of the issuance of the Convertible Debentures, the aggregate amount of interest that would have been paid on the principal amount being redeemed from the redemption date to the third anniversary of issuance.

At the election of the Company, the outstanding principal amount of, or accrued and unpaid interest on, the Convertible Debentures will be payable in cash or, subject to approval by the TSX Venture Exchange (the "**TSXV**"), Common Shares.

The Convertible Debentures will be unsecured obligations of the Company, and will be subordinated in right of payment of principal and interest to all secured debt and to all senior indebtedness of the Company.

The Company intends to use the net proceeds of the offering to fund equipment purchases relating to its HyProMag USA permanent magnet recycling joint venture and for working capital purposes. The Company anticipates paying a finder's fee to certain qualified finders in connection with purchasers that are introduced by such finders to the Offering. Any finder's fees payable will be in accordance with the policies of the TSXV.

The Offering is expected to close in August 2026 or such other date or dates as the Company may determine, and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSXV. All securities issued pursuant to the Offering will be subject to a hold period of four months and one day in accordance with applicable securities laws.

Certain insiders of the Company are expected to participate in the Offering, making the Offering a "related party transaction" as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holdings in Special Transactions* ("MI 61-101"). The Company intends to rely on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101 as the Company's shares are currently listed only on the TSXV and OTCQB and neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, is expected to exceed 25% of the Company's market capitalization (as determined under MI 61-101). The material change report in connection with the Offering is not expected to be filed 21 days in advance of the closing of the Offering for the purposes of section 5.2(2) of MI 61-101 on the basis that the subscriptions under the Offering are not expected to be finalized until shortly before the closing of the Offering.

The securities being offered have not, nor will they be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any applicable securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent such registration or an applicable exemption from such registration requirements. This release does not constitute an offer for sale or the solicitation of an offer to buy any of the securities in the United States or to, or for the account or benefit of, a U.S. person. "U.S. Person" and "United States" are as defined in Regulation S under the U.S. Securities Act, or elsewhere.

About CoTec

CoTec is redefining the future of resource extraction and recycling. Focused on rare earth magnets and strategic materials, CoTec integrates breakthrough technologies with strategic assets to unlock secure, sustainable, and low-cost supply chains.

CoTec's mission is clear: accelerate the energy transition while strengthening strategic mineral supply chains for the countries we operate in. By investing in and deploying disruptive technologies, the Company delivers capital-efficient, scalable solutions that transform marginal assets, tailings, waste streams, and recycled products into high-value critical minerals.

From its HyProMag USA magnet recycling joint venture in Texas, to iron tailings reprocessing and reclamation in Québec, to next-generation copper and iron solutions backed by global majors, CoTec is building a diversified portfolio with long-term growth, rapid cash flow potential, and high barriers to entry. The result is a differentiated platform at the intersection of technology, sustainability, and strategic materials.

For more information, please visit www.cotec.ca.

Forward-Looking Information Cautionary Statements

Statements in this press release regarding the Company, the Offerings and its investments which are not historical facts are "forward-looking statements" that involve risks and uncertainties, including statements relating to management's expectations with respect to its current and potential future investments and the benefits to the Company which may be implied from such statements. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties.

Actual results in each case could differ materially from those currently anticipated in such statements, due to known an unknown risks and uncertainties affecting the Company, including by not limited to: general economic, political and market factors in North America and internationally, interest and foreign exchange rates, changes in costs of goods and services, global equity and capital markets, business competition, technological change, changes in government relations, industry conditions, unexpected judicial or regulatory proceedings and catastrophic events. The Company's investments are being made in mineral extraction related assets and technologies which are subject to their own inherent risks and the success of such Investments may be adversely impacted by, among other things: environmental risks and costs; labor costs and shortages; uncertain supply and price fluctuations in materials; increases in energy costs; labor disputes and work stoppages; leasing costs and the availability of equipment; heavy equipment demand and availability; contractor and subcontractor performance issues; worksite safety issues; project delays and cost overruns; extreme weather conditions; and social disruptions. As the investments are being made in mineral extraction technology, such investments will also be subject to risks of successful application, scaling and deployment of technology, acceptability of technology within the industry, availability of assets where technology could be applied, protection of intellectual property in relation to such technology, successful promotion of technology and success of competitor technology. Any material adverse change in the Company's financial position or a failure by the Company to successfully make investments in the manner currently contemplated, could have a corresponding material adverse change on the investments and, by extension, the Company.

For further details regarding risks and uncertainties facing the Company, please refer to the Company's continuous disclosure documents under the Company's SEDAR+ profile at www.sedarplus.com. The Company assumes no responsibility to update forward-looking statements in this press release except as required by law. Readers should not place undue reliance on the forward-looking statements and information contained in this press release and are encouraged to read the Company's continuous disclosure documents, which are available on SEDAR+ at www.sedarplus.ca.

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