COTEC HOLDINGS CORP. NOTES HYPROMAG USA PRE-FEASIBILITY STUDY OUTLINING FUTURE EXPANSION OPTIONS TO QUADRUPLE PLANNED U.S. RARE EARTH MAGNET CAPACITY, INDICATING AN INCREMENTAL POST-TAX NPV OF UP TO US$2.1 BILLION

Independent Pre-Feasibility Study completed by PegasusTSI Inc. and BBA USA Inc. supports three new plants with a centralized finishing hub – in addition to HyProMag USA's first plant at Northlake, Texas – indicating an estimated incremental post-tax NPV of US$1.85 billion to US$2.06 billion, a post-tax IRR of 31% to 36%, competitive manufacturing costs and higher value, low-carbon finished magnet production.

Vancouver, British Columbia – October 27, 2026 – CoTec Holdings Corp. (TSXV: CTH; OTCQX: CTHCF) ("CoTec" or the "Company") notes the press release issued yesterday October 26, 2026, by its joint venture, HyProMag USA LLC ("HyProMag USA"), announcing the completion of an independent Pre-Feasibility Study ("PFS" or the "Study") undertaken by PegasusTSI Inc. and BBA USA Inc. evaluating the potential expansion of HyProMag USA's proposed U.S. rare earth magnet manufacturing platform beyond its first plant in Northlake, Texas (the "Northlake Texas Facility"), which is in detailed engineering, with Phase 1 commissioning expected in mid-2028.

The PFS evaluates a three-plant[i] phased expansion strategy: three new regional production plants, supported by a centralized manufacturing, finishing and technology hub (the "**Central Texas Hub**"), to produce commercial neodymium iron boron ("NdFeB") magnet products in the United States from both end-of-life recycled feedstock and primary alloy material. Together with the Northlake Texas Facility[ii], the platform targets total salable material production of approximately 6,000 metric tons per year by 2034, an increase of 4,474 metric tons per year above production from the Northlake Texas Facility.

Annual total magnetic material production in 2034 from HyProMag USA would comprise approximately 4,192 metric tons of magnets, 1,305 metric tons of magnetic NdFeB alloy powder and 503 metric tons of other salable material. The PFS economics listed below cover the three new plants, including the Central Texas Hub only; they do not include the Northlake Texas Facility, whose value is not included in the PFS results.

The Study builds upon the engineering and development work completed for the Northlake Texas Facility and outlines a pathway for HyProMag USA to develop from a Hydrogen Processing of Magnet Scrap ("HPMS")[iii] enabled magnet recycler into a fully integrated producer of commercial rare earth magnet products for U.S. customers.

HyProMag USA believes the platform combines the cost advantages and operational flexibility of both end-of-life recycled feedstock and primary alloy feedstocks, providing a flexible and scalable pathway to magnet manufacturing.

HyProMag USA may also benefit from potential future access to primary sourced feedstock from Mkango Magnetic Materials Limited ("Mkango") pursuant to certain Mkango supply rights to HyProMag USA.

Highlights

- **The PFS evaluated two development options, both based on modular production systems:**
  - **Case 1** – Recycled feedstock only: HPMS recycling of magnet scrap to produce NdFeB alloy powder, sintered magnet blocks, finished and packaged magnets; and

- **Case 2** – Recycled and primary feedstock: as Case 1, with the additional capex to support primary NdFeB alloy as a feedstock to produce NdFeB alloy powder, sintered magnet blocks, finished and packaged magnets.

- **Project economics** with a post-tax NPV[iv,v] of US$1,854 million (**Case 2**) to US$2,062 million (**Case 1**) for the three new plants (excluding the Northlake Texas Facility), post-tax IRR of 31% (**Case 2**) to 36% (**Case 1**) and a Profitability Index (post-tax NPV divided by capital cost) of approximately 2.8x to 3.3x, based on forecast prices[vi] and a Class 3 AACE[vii] capital cost estimate of approximately US$656 million (**Case 2**) to US$623 million (**Case 1**), respectively, with a payback of 3 years (**Case 2**) and 2.3 years (**Case 1**).
- **Competitive Manufacturing Costs.** For the first PFS Plant in 2030, the PFS estimates an All-In Sustaining Cost ("AISC") of approximately US$41.6 per kg (**Case 2**) to US$37.4 per kg (**Case 1**) of finished NdFeB products sold. AISC includes all downstream processing and finishing costs, including plating and epoxy coating. Based on forecast market prices and the forecast product mix, the weighted average realized all-in selling price in 2030 is estimated at approximately US$100.5 per kg, supporting strong margins and attractive project returns.
- **Combined HyProMag USA platform value:** The combined post-tax NPV range of the proposed Northlake Texas Facility and the potential PFS plants is estimated at US$2.6 billion to US$2.8 billion.
- **The staged approach for the Northlake Texas Facility:**[viii] Updated post-tax NPV of approximately US$723[ix,x,xi,xii] million based on forecast prices and a capital cost estimate of approximately US$167 million[xiii], increased due to the phased construction approach and the finalization of equipment orders. The reduction from the post-tax NPV of approximately US$797 million announced on June 22, 2026, reflects the later construction timetable, the higher capital costs and updated operating cost assumptions consistent with the PFS.
- **Potential fourfold increase in U.S. magnet producing capacity:** from approximately 1,048 metric tons per year of salable NdFeB magnets at the Northlake Texas Facility to approximately 4,192 metric tons per year across four plants by 2034. Phase 1 of the Northlake Texas Facility is expected to be commissioned in mid-2028.
- **Integrated alloy processing and centralized finishing**: The Central Texas Hub is expected to incorporate Vacuum Induction Melting ("VIM") and strip-casting operations, allowing the platform to process NdFeB alloy, provide magnet plating, passivation, coating, quality assurance and customer qualification for all plants.
- **Higher-value magnet production:** The production configuration would incorporate grain boundary diffusion ("GBD") capability, which would significantly increase the proportion of higher-value NdFeB magnet products. High-grade magnet production would increase from approximately 10% to 20% of total magnet output, supporting enhanced product mix, market access and project economics.
- **Low-carbon production:** supported by a previously completed carbon footprint of approximately 2.35 kg CO_2-eq per kilogram of NdFeB sintered block product for the Northlake Texas Facility[xiv].
- **Commercial qualification pathway:** Product performance data and customer validation are underway with potential U.S. offtake customers, with the support of the HyProMag Group.
- **Additional revenue opportunities:** The platform would provide future opportunities for third-party magnet finishing activities, supporting enhanced utilization of manufacturing infrastructure and potential additional revenue streams.
- **The platform is expected to play a key role in re-establishing domestic NdFeB magnet manufacturing:** in the United States, creating approximately 300 jobs across Texas, South Carolina, and Nevada, in addition to the 100 positions at the Northlake Texas Facility.

- **Independent PFS:** completed by PegasusTSI Inc. and BBA USA Inc. with support from HyProMag's international teams and the University of Birmingham, UK. Subject to ongoing review, the expansion strategy is expected to progress to a Feasibility Study at the appropriate time.

Julian Treger, Chief Executive Officer of CoTec, commented: *"This Pre-Feasibility Study confirms the opportunity to establish a significant domestic rare earth magnet manufacturing platform in the United States. The Study demonstrates robust economics and a pathway to producing higher-value NdFeB magnet products for strategically important sectors including advanced manufacturing, energy, defense and AI-driven technologies. Importantly, the platform is designed with the flexibility to utilize primary alloy feedstock alongside recycled materials, providing greater supply chain resilience and supporting long-term operational competitiveness. The results highlight the platform's potential to create substantial long-term value while strengthening the U.S. rare earth magnet supply chain."*

Professor Allan Walton, Founder of HyProMag and Head of the Magnetic Materials Group at the University of Birmingham, commented: *"The objective of the HyProMag platform has always been to demonstrate that HPMS technology can recover rare earth magnetic materials and convert them into high-performance commercial magnet products. The PFS outlines a pathway to scaling that capability through an integrated manufacturing platform incorporating magnet production, finishing and product qualification. Importantly, the enhanced production configuration would support the manufacture of a broader range of commercial magnet products for demanding industrial applications, while the inclusion of finishing, quality assurance and product development capabilities provides a foundation for continued product optimization and customer qualification."*

Platform Configuration

The PFS assessed three new production plants in South Carolina, Nevada and a second location in Texas, which would operate alongside the Northlake Texas Facility. Each plant is intended to process feedstock, operate HPMS and produce unfinished sintered NdFeB blocks.

The Central Texas Hub, located within the second Texas plant, is expected to incorporate alloy processing (VIM and strip-casting), GBD, machining, plating, passivation, epoxy coating, quality assurance, product qualification and technology development capabilities.

Under the proposed configuration, unfinished sintered blocks produced from South Carolina, Nevada and the second facility in Texas would be transferred to the Central Texas Hub for advanced manufacturing and finishing. The Central Texas Hub is also designed to support future partnerships with specialist manufacturing and finishing providers, enabling the efficient scaling of advanced magnet production capability.

Higher-Value Magnet Production

A key outcome of the PFS was the optimization of the manufacturing configuration to increase production of higher-value NdFeB magnet products. This enhanced product mix would be supported by further incorporation of GBD technology, which enables the production of higher-performance magnet grades required for demanding applications across medical, industrial automation, robotics, energy infrastructure and advanced manufacturing markets.

The increased proportion of higher-value magnet products would broaden exposure to premium end-use applications and is expected to support improved revenues, stronger operating margins and enhanced overall project returns.

Recycling of Magnet End Cuts By-Products

The PFS plants are designed to recover and reprocess manufacturing residues, including magnet machining end cuts, through the HPMS process, maximizing the use of rare earth materials. This integrated approach would support both production flexibility and the circular manufacturing characteristics of the HyProMag platform.

Integrated Manufacturing Platform

The Central Texas Hub is expected to create operating synergies through shared infrastructure and integrated processing capabilities. The Study indicates that the combination of integrated alloy processing, magnet manufacturing, finishing operations and flexible feedstock sourcing has the potential to support a competitive cost position for domestically manufactured rare earth magnet products. HyProMag USA believes these advantages will support the supply of U.S. manufactured magnets at competitive prices while providing customers with the benefits of domestic supply-chain security, traceability and low-carbon production.

The Central Texas Hub is also expected to evolve into an advanced manufacturing, product qualification and technology development center serving the broader manufacturing platform. In addition to supporting HyProMag USA production, the facility would provide future opportunities to support third-party magnet finishing activities, creating the potential for additional revenue streams and improved utilization of manufacturing infrastructure.

The proposed technology and product development center would leverage expertise from the wider HyProMag Group and the University of Birmingham's Magnetic Materials Group, supporting development, qualification and optimization of commercial magnet products.

Flexible Feedstock Platform

A key outcome of the independent PFS is the flexibility of a manufacturing platform capable of utilizing both recycled NdFeB materials and primary alloy feedstocks. This flexible sourcing model is expected to enhance supply-chain resilience, support production growth and provide the ability to optimize raw material inputs in response to market conditions and customer requirements. HPMS technology provides the foundation for processing recycled magnetic materials and integrating them into the broader manufacturing platform.

Advancing Commercial Magnet Qualification with HyProMag Group

Commercial magnet qualification activities continue across the wider HyProMag Group in the United Kingdom and Germany. These activities are expected to support qualification of future U.S.-produced magnet products, accelerate customer onboarding and reduce commercialization risk as the U.S. manufacturing platform expands. HyProMag USA believes this provides a meaningful advantage by allowing future U.S. operations to build upon existing technical and commercial progress rather than initiating qualification programs from a standing start.

About HyProMag USA

HyProMag USA is developing advanced rare earth magnet recycling and manufacturing operations to establish a secure domestic U.S. supply chain for NdFeB magnets, essential components for AI infrastructure, defense systems, robotics, electric vehicles, and advanced electronics. Leveraging the revolutionary HPMS technology, developed over 15 years with over US$100 million in R&D investment, HyProMag USA is designed to deliver faster magnet-to-magnet short-loop recycling that uses 88% less energy and reduces carbon emissions by 85% compared to conventional methods. HPMS accepts a wide range of magnet-bearing feedstocks – including end-of-life EV motors, data-center and industrial equipment, consumer electronics, and manufacturing scrap – enabling recovery of magnet-grade material without chemical processing.

Ownership

HyProMag USA LLC is owned 50:50 by CoTec and HyProMag Limited. HyProMag Limited is 100% owned by Maginito Limited, which is owned 79.4% by Mkango Magnetic Materials Limited (AIM/TSX-V: MKA) and 20.6% by CoTec.

For more information on HyProMag USA, please visit www.hypromagusa.com

About CoTec

CoTec Holdings Corp. (TSXV: CTH; OTCQX: CTHCF) 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

For further information, please contact:

Braam Jonker, Chief Financial Officer – (604) 992-5600

Forward-Looking Information Cautionary Statement

Statements in this press release regarding the Company and its investments which are not historical facts are "forward-looking statements" which involve risks and uncertainties, including statements relating to the results of the PFS, including the estimated post-tax NPV, IRR, Profitability Index, AISC and capital costs for each case; the proposed three-plant expansion and centralized processing and finishing hub, including their locations, configuration and capabilities; the combined value of the four-plant platform; the updated post-tax NPV of the Northlake Texas Facility; the targeted salable magnet capacity of approximately 4,192 metric tons per year by 2034; the targeted alloy powder and total salable material production by 2034; the targeted commissioning of Phase 1 of the Northlake Texas Facility in mid-2028; the progression to a Feasibility Study; the use of recycled and primary feedstocks; the production of higher-value magnet grades; the qualification of magnet products with potential U.S. customers; potential third-party finishing revenues; expected job creation; expected cost, synergy and low-carbon benefits; 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 and unknown risks and uncertainties affecting the Company, including but not limited to: availability of financing; environmental risks and costs; permitting and regulatory risks; labor costs and shortages; uncertain supply and price fluctuations in materials; increases in energy costs; labor disputes and work stoppages; equipment leasing and availability; heavy equipment demand and availability; contractor and subcontractor performance; worksite safety issues; project delays and cost overruns; extreme weather events; social, transport, or geopolitical disruptions; availability of suitable feedstock; equipment performance and reliability; the ability to secure customer offtake and feedstock supply arrangements; changes in rare earth and

magnet prices; and the accuracy of the estimates and assumptions underlying the PFS. For further details regarding risks and uncertainties facing the Company please refer to "Risk Factors" in the Company's filing statement dated April 6, 2022, a copy of which may be found under the Company's SEDAR+ profile at www.sedarplus.ca.

Forward-looking statements are based on assumptions that HyProMag USA and the Company consider reasonable, including the assumptions underlying the PFS (including forecast market prices, a 7% real discount rate, the capital and operating cost estimates and the production schedule, including construction of the three new plants in stages commencing in 2030, 2032 and 2034, and a U.S. federal income tax rate of 21% (excluding state taxes)), the availability of financing on acceptable terms, the receipt of required permits and approvals, and the availability of feedstock and equipment on the terms assumed in the PFS. The estimated post-tax NPV, IRR, Profitability Index and AISC of the PFS plants and the updated post-tax NPV of the Northlake Texas Facility are financial outlooks within the meaning of applicable Canadian securities laws. They are provided to illustrate the potential economics of the expansion evaluated in the PFS and of the Northlake Texas Facility, were approved by HyProMag USA's management on October 26, 2026, and may not be appropriate for other purposes. AISC is a non-GAAP financial measure that has no standardized meaning under IFRS and may not be comparable to similar measures disclosed by other issuers.

The Company assumes no obligation 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.
Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

---

[i] Each site was envisioned as a brownfield and lease development with no space or utility constraints, enabling optimized layouts
[ii] https://hypromagusa.com/hypromag-usa-to-establish-early-magnet-finishing-capability-as-part-of-phased-texas-hub-development/
[iii] Patented Hydrogen Processing of Magnet Scrap (HPMS) technology developed at University of Birmingham, which liberates NdFeB magnets from end-of-life scrap streams in a cost effective and energy efficient way.
[iv] 7% real discount rates. NPVs are calculated by discounting real US dollar cash flows from 2026, tax rate assumed at 21% and does not include State taxes.
[v] NPV does not include the economic benefit of any government or state incentives, or carbon pricing
[vi] Forecast market prices ("Forecast Prices") are the prices for all NdFeB products sold in the U.S, excluding residual scrap feed, with the rare earth price component thereof derived from the latest rare earth forecasts from Q2 (2026) Adamas Intelligence, over the life of the asset.
[vii] Association for the Advancement of Cost Engineering (AACE) – Class 3 Estimate prepared by PegasusTSI
[viii] https://hypromagusa.com/hypromag-usa-to-establish-early-magnet-finishing-capability-as-part-of-phased-texas-hub-development/
[ix] 7% real discount rates. NPVs are calculated by discounting real US dollar cash flows from 2026 tax rate assumed at 21% and does not include State taxes.
[x] Forecast market prices ("Forecast Prices") are the prices for all NdFeB products sold in the U.S, excluding residual scrap feed, with the rare earth price component thereof derived from the latest rare earth forecasts from Q2 (2026) Adamas Intelligence, over the life of the asset.
[xi] NPV does not include the economic benefit of any government or state incentives, or carbon pricing.
[xii] Northlake Texas Facility updated post-tax NPV was completed by PegasusTSI Inc. and BBA USA Inc consistent with July 2026 announcement – all economic assumptions on forecast prices, discount rates, valuation dates and tax assumptions are consistent with the PFS valuation approach.
[xiii] Association for the Advancement of Cost Engineering (AACE) – Class 2 Estimate prepared by PegasusTSI.
[xivxiv] An independent ISO-compliant carbon footprint assessment previously completed for the Northlake Texas Facility project confirmed a product carbon footprint of approximately 2.35 kg CO_2-eq per kilogram of NdFeB sintered block product, supporting HyProMag USA's continued low-carbon manufacturing strategy. No carbon assessment has been completed for the PFS plants and the carbon production footprint for those plants may vary from the assessment completed for the Northlake Texas Facility.