



COTEC HOLDINGS CORP. NOTES HYPROMAG USA SECURES POWER AND ADVANCES PROJECT READINESS FOR TEXAS RARE EARTH MAGNET RECYCLING AND MANUFACTURING HUB

Power capacity secured with Oncor; contractor selection and permitting underway ahead of targeted H1 2027 commissioning of cutting and finishing operations and Phase 1 completion targeted for mid-2028

Vancouver, British Columbia – October 13, 2026 – CoTec Holdings Corp. (TSXV: CTH; OTCQX: CTHCF) ("CoTec" or the "Company") notes the press release issued today by its joint venture, HyProMag USA, LLC ("HyProMag USA"), providing an update on development activities for its Texas Hub rare earth magnet recycling and manufacturing project in Dallas-Fort Worth, Texas (the "Texas Hub"). Following the commencement of formal power supply discussions announced on June 22, 2026,¹ HyProMag USA has secured electrical power capacity with Oncor Electric Delivery Company LLC ("Oncor") for the Texas Hub development and expects the facility's electricity requirements to be supplied predominantly from renewable energy resources.

Key Highlights

- **Power capacity secured:** Power capacity secured with Oncor for both cutting and finishing operations and the Phase 1 development, with a pathway through a sub-station upgrade to provide power for Phase 2.
- **Contractor selection and permitting underway:** Pegasus TSI, Inc. ("Pegasus") has commenced contractor selection for cutting and finishing operations and Weston Solutions, Inc. ("Weston") is advancing permitting activities.
- **Cutting and finishing operations targeted for H1 2027:** Targeted commissioning of cutting and finishing operations in H1 2027 with the processing of neodymium iron boron ("NdFeB") magnet blocks, initially supplied from HyProMag Group operations, to produce finished magnets.
- **Phase 1 development:** Phase 1 development is targeted for completion in mid-2028 and is designed to produce approximately 550 tonnes per annum ("tpa") of NdFeB magnet blocks and finished magnets and approximately 484 tpa of co-products, representing approximately 1,034 tpa of total payable production.
- **Phase 2 development:** Phase 2 development envisions expansion to approximately 1,526 tpa of total payable production.
- **Renewable energy supply:** Electricity supply expected to be sourced predominantly from renewable energy resources.

Julian Treger, Chief Executive Officer of CoTec Holdings Corp., commented: *"Securing power with Oncor, advancing permitting activities through Weston Solutions and commencing contractor selection are important milestones for the Texas Hub. Initial cutting and finishing operations in 2027 are expected to*

establish U.S. magnet finishing and qualification capabilities aligned with internationally recognized magnetic material and quality standards, while the full Phase 1 development will deliver integrated recycling and magnet manufacturing capacity. Together, these activities further de-risk the project and demonstrate continued progress towards establishing a domestic and sustainable rare earth magnet supply chain in the United States.”

Cutting and Finishing Operations

Cutting and finishing operations in 2027 comprise the initial magnet finishing and qualification facility, enabling production and qualification of finished NdFeB magnets using magnet blocks supplied from HyProMag Group operations. The facility is designed to process NdFeB magnet blocks and support qualification of finished magnets in accordance with ASTM A977/A977M, the national classification standard for magnetic materials, together with quality management systems aligned with ISO 9001 and customer-specific quality, performance and traceability requirements. The objective is to establish qualification capabilities that meet the requirements of U.S. customers and establish a strategic training facility for the finishing of NdFeB magnets in advance of the main Texas Hub developments.

Permitting and Contractor Selection

Weston is advancing permitting activities for the Texas Hub, while HyProMag USA’s engineering partner Pegasus has commenced a Request for Quotation (“RFQ”) process for the selection of a general contractor for cutting and finishing operations. Pegasus and BBA USA Inc. are HyProMag USA’s U.S.-based engineering, procurement and construction management firms.

Phase 1 and Phase 2 Development

Phase 1 represents the first integrated recycling and magnet manufacturing stage of the Texas Hub and is designed to produce approximately 550 tpa of sintered NdFeB magnet blocks and finished magnets, together with approximately 484 tpa of co-products, representing total payable production of approximately 1,034 tpa. Upon completion of Phase 2, the Texas Hub is expected to produce approximately 1,048 tpa of sintered NdFeB magnet blocks and cylinders, together with approximately 478 tpa of co-products, representing total payable production of approximately 1,526 tpa.

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 Hydrogen Processing of Magnet Scrap (“HPMS”) technology, developed over 15 years with over US\$100 million in R&D investment, HyProMag USA delivers 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

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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 development of the Texas Hub, the supply of power to the Texas Hub, permitting and contractor selection, the targeted timing of commissioning and development, the supply of magnet blocks from HyProMag Group operations, the qualification of finished magnets, targeted production capacity, the potential expansion of the Texas Hub, 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; labour costs and shortages; uncertain supply and price fluctuations in materials; increases in energy costs; labour 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, transport and geopolitical disruptions. 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. 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.

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 <https://www.cotec.ca/news/cotec-holdings-corp-notes-hypromag-usa-advancement-of-texas-hub-and-us-magnet-platform>