



February 15, 2024

Dear CoTec Shareholders

It is my pleasure to provide an update on our progress over the past twelve months and the outlook for 2024.

2023 was an extremely successful year for CoTec, laying the foundation for the Company's transformation from an investor in disruptive natural resource technologies to a resource producer applying such technologies to marginal and reclamation assets and recycling opportunities. Indeed, we have had a multitude of success since embarking on the CoTec journey, from attracting a very senior board of directors and executive management, to completing four value accretive transactions and increasing our share price by over 300% to date. However, we believe that CoTec presents a compelling value proposition even at these levels which is why I have continued to invest in the Company as have our entire Board and management.

Our key targets for 2024 are focusing on the transformation of the Company from predominant investor to natural resource producer with first revenue targeted by 2025/2026. The majority of our operational focus in 2024 will be:

- Completion of the feasibility study for HyProMag USA LLC, our 50% joint venture with Maginito Limited, for the roll out in the USA of the revolutionary rare earth recycling technology from permanent magnets ("HyProMag Technology");
- Embarking on the feasibility work and outstanding commercial agreements in relation to the newly acquired Lac Jeannine property where we are targeting the production of green iron ore pellets by applying Binding Solutions Limited's cold bonding technology;
- Identification of one or more application opportunities for BSL and Ceibo; and
- Continued preparation and testing for the intended re-start of MagIron's Plant 4.

The completion of the feasibility studies for HyProMag and Lac Jennine will be a significant achievement for CoTec. CoTec believes the key challenges for the mining industry and the energy transition remain the lengthy time it takes to develop a resource from identification through to production, capital intensity and environmental impact.

Accordingly, in partnership with our stakeholders, we plan to reduce the traditional mining timeline for development of a producing operation to within five years. This typically takes up to fifteen years using traditional mining practices. Additionally, we will aggressively engage in shareholder communication to ensure that potential investors better understand and appreciate our value proposition.

CoTec's core strategy is to acquire disruptive technologies and apply these technologies to assets. To support our growth pipeline we are completing due diligence on several technologies and assets which are complementary to our product groups of copper, green iron and critical minerals. CoTec is aiming for the completion of minimum of one further potential technology and asset investment during the year.

## **A review of our 2023 operational highlights:**

### ***Corporate***

- Raised gross proceeds of C\$10 million through two non-brokered private placements and a further C\$2.25 million through the exercise of three million warrants at 75 cents
- Formed a partnership with the “Birmingham Centre for Strategic Elements and Critical Materials” at the University of Birmingham to identify and commercialize disruptive technologies related to the critical mineral extraction industry
- Became a member of SAFE. SAFE enhances energy security and supports U.S. economic resurgence and resiliency by advancing transformative transportation and mobility technologies whilst ensuring the United States and allies secure key aspects of the technology supply chain

### ***Maginito Limited (“Maginito”)***

- Completed a GB£3.5 million investment in Maginito for a 20.6% equity interest
- Maginito completed the remaining purchase of the 58% equity interest in HyProMag Limited (“HyProMag”) which it previously did not already own, in August 2023
- First production of recycled magnets at Tyseley Energy Park in Birmingham
- HyProMag was selected by the Minerals Security Partnership (“MSP”) for support as one of its key projects given its strong potential to contribute towards the development of responsible critical mineral supply. Led by the US Government, the MSP aims to catalyze public and private sector investments to build diverse, secure, and responsible global critical minerals supply chains
- Formed an incorporated US joint venture, HyProMag USA LLC (“HyProMag USA”), with Maginito for roll-out of the HyProMag technology into the US on a 50:50 basis. HyProMag has sublicensed the HPMS technology to HyProMag USA
- Commenced a Request for Proposal process for engagement of an engineering firm to undertake the HyProMag USA Feasibility Study
- USA Feasibility Study to be completed in 2024 in parallel with the completion of commercial demonstration plants in the UK and Germany. The USA plants will benefit from operational experience and production ramp-up in the UK and Germany
- Revenue from the US operation is targeted for 2025/2026

### ***Binding Solutions Limited (“BSL”)***

- Increased the Company’s interest in Binding Solutions Limited (“BSL”) through a further investment of C\$684k
- BSL secured a US\$17.5 million investment from Mineral Resources Limited (“MinRes”) at a valuation of US\$150 million, a 107% increase over CoTec’s investment
- Entered an option agreement for the acquisition of Lac Jeannine mining claims in Quebec for the application of BSL technology
- Completed a sonic drilling and bulk sampling testing programme at the Lac Jeannine property and engaged Corem to complete the metallurgical testing
- Negotiations with BSL and other relevant stakeholders underway/to commence, ensuring the commercial framework is in place for the start of the Feasibility Study during the second half of 2024 subject to the results of the potential economic assessment (“PEA”)

### ***Ceibo Inc. ("Ceibo")***

- Invested US\$1.5 million in Ceibo, a developer of a revolutionary process to leach low-grade primary copper sulphides, such as chalcopyrite, and copper waste material using a proprietary high throughput inorganic leaching technology
- BHP Ventures is also an investor in Ceibo

### ***MagIron LLC ("MagIron")***

- Increased our investment in MagIron to ~17% on a fully diluted basis through five additional investments for an aggregate amount of US\$484k
- Successfully completed independent laboratory scale metallurgical test work demonstrating the potential to double historical iron recovery achieved at Plant 4 and to produce direct reduction grade iron concentrate

### **Key Targets for 2024:**

- Completion of the HyProMag USA Feasibility Study
- Engage with US Government to secure potential grant funding for HyProMag USA
- Completion of commercial arrangements with all Lac Jeannine stakeholders and commencement of the feasibility study
- Identification of one or more application opportunities for BSL and Ceibo
- Completion of a minimum of one further potential technology and asset investment during the first half of 2024
- Continued preparation and testing at MagIron's Plant 4
- Ramping up shareholder engagement to ensure better understanding of CoTec's value proposition
- Engagement of a brokerage firm to assist the Company in its growth path

We appreciate the continued support of all our shareholders as we execute our strategy of building and delivering a mid-tier resource producing company which deploys disruptive technology. We are very excited about the future of CoTec and its significant potential.

Sincerely,

*"Signed"*

Julian Treger

### **For further information, please contact:**

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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 feasibility studies of both HyProMag USA and Lac Jeannine, completion of commercial agreements in relation to Lac Jeannine, availability of future investments targets, future value of CoTec's share price,

future cash flow generation and timing of such cash flows, the restart of MagIron's Plant 4, as well as management's expectations with respect to other 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 and unknown risks and uncertainties affecting the Company, including but not limited to resource and reserve risks; 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. 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.sedar.com](http://www.sedar.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 news release and are encouraged to read the Company's continuous disclosure documents which are available on SEDAR at [www.sedar.com](http://www.sedar.com).