COTEC HOLDINGS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED – DECEMBER 31, 2024

INTRODUCTION

This Management Discussion and Analysis ("MD&A") of CoTec Holdings Corp (the "Company" or "CoTec") has been prepared by management as of April 28, 2025. Information herein is provided as of April 28, 2025, 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, 2024, and 2023 ("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.

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.

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 symbol 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 while 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 2024 Year

Operational

- Net income of $0.5 million and net loss of $0.2 million for the quarter and the year, respectively. Loss for the year was primarily due to G&A expenses of $2.2 million, share-based compensation of $1.7 million, finance expenses of $0.8 million, and professional consulting fees of $0.6 million offset by a non-cash gain on equity investments of $4.8 million, and $0.5 million gain from associate and joint venture. Gain for the quarter includes a $1.8 million non-cash gain on equity investments offset by G&A expenses of $0.6 million, finance expenses of $0.6 million and share-based compensation of $0.4 million.
- HyProMag USA LLC ("HyProMag USA") formally incorporated with CoTec owning 50% directly (60.3% direct and indirect holding)
- BBA USA Inc. ("BBA"), PegasusTSI ("Pegasus") and Weston Solutions Inc. ("Weston") engaged by HyProMag USA to complete the independent Feasibility Study for the roll out of the HyProMag technology in the USA which was completed in November 2024 ("USA Feasibility Study")
- Awarded contracts for the National Instrument 43-101 Preliminary Economic Assessment for the Lac Jeannine Project ("PEA") to an interdisciplinary team of consultants, engineers and scientists co-led by Addison Mining Services Ltd. and Soutex Inc. with targeted completion during the first half ("H1") of 2024
- MagIron LLC ("MagIron") investment signed long-term mineral leases which provides feedstock for further operational and economic support for the restart of MagIron's Plant 4 iron ore concentrator ("Plant 4"). When combined with iron-bearing stockpiles already owned by MagIron, the aggregate iron-bearing materials secured could be sufficient to support Plant 4 for more than 20 years of operation, targeting annual production of 2.5 million dry tonnes per annum of Direct Reduction ("DR") grade iron concentrate
- Filed Initial Mineral Resource Estimate and positive PEA for the Lac Jeannine project ("Lac Jeannine") on time and within budget. Initial Inferred Mineral Resource of approximately 73 million tonnes (Mt) at 6.7% total Fe for 4.9 Mt of contained total Fe. Pre-tax net present value applying a 7% discount ("NPV7%") of US$93.6 million, and internal rate of return ("IRR") of 38%, and post-tax NPV7% of US$59.5 million, and IRR of 30% excluding potential benefit of adjacent tailings
- Completed the HyProMag USA Feasibility Study on time and within budget. Results of the study concluded a NPV7% of US$262 million and 23% real IRR based on current market prices. $503 million post-tax NPV7% and 31% real IRR based on forecasted market prices. All-in sustaining cost of US$19.6 per kg of NdFeB compared to current weighted average market prices of US$55 per kg
- HyProMag secured exclusive agreement with Inserma Anoia S.L ("Inserma") to commercialize pre-processing technologies through the automated processing of hard disk drives ("HDDs"), loudspeakers and electric motors to compliment HyProMag USA, HyProMag's German and HyProMag's UK future operations

- Initiated "Request for Proposal" process for Engineering, Procurement and Construction Management ("EPCM") providers for HyProMag USA
- Commenced the process to appoint a drilling contractor for the 2025 infill and expansion drilling program for Lac Jeannine
- Ceibo investment partnered with Glencore's Lomas Bayas Mining Company to deploy Ceibo's proprietary leaching technology targeting a more effective extraction of copper from low-grade sulphides at one of Chile's leading mines.

Corporate

- Joined the Rare Earth Industry Association ("REIA") to work with REIA and other stakeholders to support the roll out of the HyProMag technology
- Raised gross aggregate proceeds of $5.3 million of equity through two non-brokered private placements
- Entered into a convertible loan agreement with Kings Chapel International Limited ("Convertible Loan"). The Convertible Loan replaced all loans outstanding to Kings Chapel International ("Kings Chapel") plus an additional $1,500 in principal to be advanced in three monthly tranches of $500. The outstanding principal of the loan bears an interest of 10% and is convertible into CoTec stock at CA$0.75 per share
- Appointed retired Vice-Admiral Robert Harward as non-executive director

Recent Developments and Outlook

The fourth quarter was another successful quarter for CoTec with several operational highlights. During 2024, the Company completed the HyProMag USA Feasibility Study and the Lac Jeannine PEA, laying the foundation for the operational roll-out for HyProMag USA's rare earth project in the US and the Lac Jeannine reclamation project, respectively. Insiders continued to strongly support the Company during 2024 through significant insider buying during H2, 2024 and through private placement participation and the Convertible Loan. CoTec is targeting cash flow production by Q1 2027 through HyProMag USA and is targeting the commencement of the Lac Jeannine feasibility study in 2025.

During the fourth quarter the company recorded a comprehensive loss of $0.2 million and comprehensive loss for the year of $1.0 million. Loss for the quarter includes a G&A expenses of $0.6 million, finance expenses of $0.6 million, and share-based compensation of $0.4 million offset by $2.6 million non-cash gain on equity investments and share of gain in associate.

CoTec's focus is now predominantly on achieving production from HyProMag USA, a feasibility study for Lac Jeannine and continuing to support the progress of its investment in MagIron. In parallel, CoTec is focused on growth by identifying further asset opportunities in iron ore as well as in copper assets for Ceibo and manganese assets for its latest investment, Salter.

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

Maginito and HyProMag USA 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 Magnet Scrap technology ("HPMS") in the USA which recovers REE from permanent magnets and will use the recovered REE 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 very competitive cost profile.

The independent U.S. Feasibility Study was completed by BBA, Pegasus 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 recycling and magnet production facility in Texas. This end-to-end recycling and production facility is targeting production of 750 metric tons per annum of recycled sintered neodymium iron boron ("NdFeB") magnets and 291 metric tons per annum of associated NdFeB co-products (total payable capacity – 1,041 metric tons NdFeB) over a 40-year operating life.

The independent U.S. Feasibility Study reported a NPV7% of US$262 million and 23% real IRR based on current market prices. $503 million post-tax NPV7% and 31% real IRR based on forecasted market prices. All-in sustaining cost of US$19.6 per kg of NdFeB compared to current weighted average market prices of US$55 per kg. Final site selection for Texas is underway and baseline permitting for the selected site is expected to commence in H1, 2025 with expected completion by the end of 2025.

A "Request for Proposal" process was initiated for EPCM providers and final selection has been completed following year-end. Following appointment, the Company will proceed with detailed design and engineering to further optimize the project and to finalize the construction budget. This will be followed by a notice to proceed with execution of the project, currently targeted for H1, 2025 and first US magnet production and revenue targeted for H1, 2027.

Discussions with potential feedstock suppliers and off-takers in the USA are underway to secure recycled feedstock and long term off-take through strategic partners. Focused discussions with US federal and state government bodies to support funding and incentive opportunities have commenced and remain ongoing at this point.

Additionally, during the year Maginito entered into a binding and exclusive agreement with Inserma to collaborate on the optimisation, commercialisation and roll-out of pre-processing technologies for HyProMag in the United Kingdom, Germany, the United States and other regions. The Inserma unit for hard disc drives ("HDD") can be co-located at hyperscale data centres, shredding, recycling or HyProMag facilities, where these units can rapidly remove (at <3 seconds per HDD) the voice coil motor containing the rare earth magnet, providing a highly concentrated feed for subsequent HPMS process. This technology also has major benefits for sustainable, secure and low-cost recycling of HDDs.

Maginito continues to make steady progress towards its targeted commercial production in the UK and Germany during 2025. It is expected that HyProMag USA will benefit from the operational experience and production ramp-up in the UK and Germany.

In June 2024, HyProMag USA appointed Linda Lourie as an Advisory Board Director. Ms. Lourie is currently a Principal with WestExec Advisors, Principal with the Washington Circle Advisory Group LLC, a Member of the U.S. Export-Import Bank's Advisory Subcommittee on Strategic Competition with the People's Republic of China (PRC), and serves as Commissioner on the Atlantic Council's Commission on Software-Defined Warfare, among other affiliations.

Ms. Lourie was previously the Assistant Director for Research and Technology Security in the White House Office of Science and Technology Policy ("OSTP"). In this role, she served at the Assistant Secretary-level on the Committee on Foreign Investment in the United States ("CFIUS"), advised on foreign investments in emerging and foundational technology, export controls, CHIPS and Science Act, and led efforts on innovation and information sharing for AUKUS. Linda has also served as Department of Defense Associate General Counsel and the General Counsel of the Defense Innovation Unit ("DIU").

Lac Jeannine Property and Binding Solutions Limited ("BSL")

The Lac Jeannine and BSL investments, together with MagIron below, represent the Company's investment in the steel industry. Lac Jeannine is a reclamation project that significantly reduced the environmental impact of primary iron ore production, whilst BSL's cold agglomeration technology could decrease carbon output from pellet production by up to 97%.

During 2023, the Company signed an option agreement to acquire 31 mining claims forming the Lac Jeannine property located in the Côte-Nord region of Quebec, Canada. The property contains historical tailings of the previous Lac Jeannine iron ore mine operated by the Québec Cartier Mining Company between 1959 and 1985.

The PEA for Lac Jeannine was completed during Q2 by an interdisciplinary team of consultants, engineers and scientists co-led by Addison Mining Services Ltd. and Soutex Inc. The PEA incorporated the 2023 drill-program and metallurgy testing results from Corem, providing an initial Inferred Mineral Resource of approximately 73 million tonnes (Mt) at 6.7% total Fe for 4.9 Mt of contained total Fe.

Though the PEA is based on an initial 10-year life of mine, estimates are the life of mine could be extended by as much as a further 10 years with further drilling and resource definition during the feasibility study in early 2025. The 2023 drilling program targeted only a portion of the total available tailings, whereas the 2025 drill-program and future feasibility study will be based on all available tailings.

Based on open-pit extraction methods and the production of a gravity concentrate via conventional processing techniques and at a discount rate of 7.0% (based solely on an initial 10-year life of mine), the PEA indicated a pre-tax NPV of US$93.6 million, and an IRR of 38%, and an after tax NPV of US$59.5 million, and an IRR of 30%.

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.

The Company expects to complete a drilling program during H1, 2025 to both improve on the results of the initial drilling and to extend the Inferred Mineral Resources to the remaining untested tailings. The Company appointed a drilling contractor after year-end to complete the 2025 drilling program. The drilling of the remaining tailings could provide significant increases in both the life of mine and expected financial returns.

Following the 2024 financial year-end, CoTec announced an exclusivity and collaboration agreement with Salter Cyclones Limited ("Salter") for use of Salter's multi gravity technology for the recovery of ultra fine iron and manganese ("Salter Technology"). The Salter Technology will be tested on the Lac Jeannine material. The successful recovery of ultra fine material from Lac Jeannine could add significant value to the project.

Testing samples from the Lac Jeannine property with BSL's low carbon cold bonding pelletizing technology is also ongoing. If successful, this could provide further potential upside to the Lac Jeannine project.

To date the Company has engaged and met 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. These discussions are ongoing.

BSL has commissioned its pilot plant in Teesside, UK. The pilot plant is currently operating continuously and is producing pellets using BSL's cold bonding technology on project samples from some of the world's largest mining companies. During the quarter, BSL continued to advance its feasibility study and design of a full-scale plant capable of producing approximately 50 tonnes per hour of cold-bonded iron ore pellets. BSL is in discussions with several of its customers around partnering on this project. The location of the demonstration plant is targeted for approval in H2, 2025.

MagIron

MagIron is the third of the CoTec's steel investments. MagIron is a U.S. based private company that acquired an iron ore project including the Plant 4 concentrator that 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 2024, CoTec participated in a series of cash calls for an aggregate amount of US$630,035, or $862, as well as shares issued for board advisory fees which amounted to US$157,500, or $215, to maintain its equity interest.

The most recent valuation at which MagIron raised additional equity at US$5.21 per MagIron share, represented an increase in the Company's initial investment. Management also considered the uncertainties around the project milestones and has applied an overall success factor of 50% to this gain, to reflect management's expectation of the project being successful as well as the likelihood of a liquidity event. This gain and any related changes in foreign exchange have been recorded through the statement of income as FVTPL in the amount of $3.5 million for the 2024 financial year, and $1.2 million for the three months ended December 31, 2024.

The increase in the share issue price was driven by the enterprise valuation determined by MagIron's Board of Directors 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. During Q4, MagIron was granted by the Minnesota Pollution Control Agency an air quality control permit to operate its Plant 4. This is the final permit required to support the restart of mining and processing activities at Plant 4, subject to posting $3.7 million financial assurance required under the Permit to Mine. MagIron is also in the process of completing a National Instrument 43-101 feasibility study technical report for the restart of its facilities and has also commenced construction of a pilot plant post year-end.

During the year, MagIron has signed long-term mineral leases that provide further operational and economic support for the restart of MagIron's Plant 4. Ore characterization work of these new mineral leases will further support the ongoing feasibility studies and larger scale pilot testing. When combined with the iron-bearing stockpiles already owned by MagIron, the aggregate iron-bearing materials secured could be sufficient to support Plant 4 for more than 20 years of operation, targeting annual production of 2.5 million dry tonnes per annum of Direct Reduction ("DR") grade iron concentrate.

MagIron also continues to evaluate alternative value accretive strategies such as a potential acquisition of a pelletizing facility which may be of strategic interest to unlock the value of Plant 4. To this end MagIron has acquired the land on which the Reynolds Pellet Plant in Indiana is located.

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.

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 by Ceibo, will be done in cooperation with CoTec as joint partner/investor.

International Zeolite Loan Note

The Company's $300 loan note to International Zeolite Corp ("IZ") remains outstanding as at year-end. The loan note is fully secured through a first ranking charge in favor of CoTec over all of IZ's assets ("IZ Loan"). The note attracts interest at 7% per annum and is repayable at the earlier of November 1, 2024, or a change of control at IZ. As at year-end the loan was in default. The Company is working with IZ management on required restructuring steps to enable IZ to settle the loan.

Convertible Loan from Related Party - Kings Chapel

On November 19, 2024, the Company and Kings Chapel entered into the Convertible Loan. All outstanding loan notes owed by CoTec to Kings Chapel on that date were consolidated and converted into the Convertible Loan. The Company initially recognized $2,334 of the outstanding principal as convertible loans and $396 as an embedded derivative, as Kings Chapel has the option to convert the loan into common shares at $0.75 per share. In addition, the principal amount of the loan is automatically converted into common shares at $0.75 per share if the CoTec stock price remains above at $1.00 per share for a period of 15 consecutive days any time after January 1,2025. No conversion into CoTec stock will occur to the extent that such conversion will result in Kings Chapel or its affiliates owning more than 49% of the Company's outstanding common shares.

In addition to the conversion of the prior loan notes, Kings Chapel agreed to provide an additional $1,500,000 to CoTec through three separate tranches: $500,000 on November 7, 2024, $500,000 on December 9, 2024, and $500,000 on January 7, 2024. The First and Second Tranche had an embedded derivative of $89,000 each respectively.

As at December 31, 2024, the embedded derivative was valued at $752 using Monte Carlo simulation to forecast the Company's share price throughout the remaining term of the note. The basis of the Monte Carlo simulation used share price volatility of 4.7%, a term of 3 years, and a risk-free rate of 2.9%. For the twelve months ended December 31, 2024, the Company recorded a FV loss on the embedded derivative of $178.

At year-end, the company owed a total of $3.8 million under the Convertible Loan. Following the financial year-end, CoTec and Kings Chapel agreed to increase the Convertible Loan by an additional $2.5 million (see "Subsequent Events").

Fundraising

During Q1, 2024 the Company received $975 from Kings Chapel through the exercise of 1.3 million warrants at $0.75.

On May 15, 2024, the Company closed a private placement of units (each a "Unit") at a price of $0.50 per Unit for gross proceeds of $2,573. The Units consisted of one common share and one common share purchase warrant ("Warrant"). The Warrant entitles the holder to purchase one Common Share at an exercise price of $1.05 for a period of 12 months following the issuance of the Units. Kings Chapel subscribed for 4 million of these Units.

On July 11, 2024, the Company announced the closing of a non-brokered private placement of 5,500,000 common shares at a price of $0.50 per common share for gross proceeds of $2,750,000 to Kings Chapel. The proceeds of the Private Placement were used to repay a portion of the loans previously advanced by Kings Chapel to CoTec and for general working capital purposes. Due to the repayment of the Kings Chapel loans, no warrants were issued as part of the Private Placement.

Corporate

During the latter half of 2024 the Company engaged Torrey Hills to provide investor relations services to the Company with a focus on the US. Following this engagement, the Company commenced a marketing campaign in several cities in the US. This campaign is ongoing. The Company also engaged Peter Epstein to assist in market awareness.

On March 4, 2024, the CoTec appointed retire Vice-Admiral Robert (Bob) Harward to its Board of Directors. Bob Harward is a retired United States Navy Vice Admiral (SEAL) and a former Deputy Commander of the United States Central Command; he served on the US National Security Council in The White House and led several multi-national special forces commands in Afghanistan and Iraq. He joined Lockheed Martin in 2014 as their Chief Executive in the UAE and expanded his responsibilities to cover the Middle East, leaving to join Shield AI as Executive Vice President for International Business Development and Strategy based in the UAE. As a senior defence technology executive, he complements the CoTec Board and assist in driving CoTec's strategy of applying innovative technologies to otherwise overlooked assets including critical minerals and recycling rare earth elements.

Looking forward, the Company will focus on the continued roll out of the Lac Jeannine and HyproMag USA projects. At Lac Jeannine the key activities for 2025 will include stakeholder engagement, drilling campaign, commencement of a feasibility study and permitting. At HyProMag USA next steps include completion of detailed design and engineering, financing, ordering of long lead items, securing of feed supply and off take agreements and decision on notice to proceed with construction. First production and revenue for HyProMag USA is targeted for H1 2027.

CoTec will also be testing the Salter technology on the Lac Jeannine material and identify assets in the manganese and iron ore industry for its application. The identification of assets for Ceibo is ongoing.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

RESULTS OF OPERATIONS

For the year ended December 31 ***($'000 unless otherwise stated)***	**2024**	**2023**	**2022**
Income			
FV gain on equity securities	4,812	13,081	3,969
Loss on embedded derivative	(178)	-	-
Share of loss in associate and joint venture	544	(82)	3,969
FV gain on convertible notes	-	1,806	53
Expenses			
Professional consulting fees	(580)	(641)	(534)
General & administrative expenses	(2,249)	(2,684)	(1,505)
Share-based compensation	(1,688)	(1,622)	(434)
Operating income (loss)	**660**	**9,858**	**1,548**
Net finance expense	(903)	(95)	(60)
Net Income	**(243)**	**9,763**	**1,489**
Foreign Currency Translation	**(735)**	**-**	**-**
Comprehensive income (loss) for the period	**(978)**	**9,763**	**1,489**
Total assets	**45,477**	**35,893**	**12,403**

During the year the Company recorded a Fair Value ("FV") gain on equity securities of $4.8 million. This gain mainly comprised of:

- Revaluation of MagIron equity investment which resulted in a gain of $3.5 million, and revaluation of MagIron warrants which resulted in a gain of $0.1 million;
- Revaluation of BSL equity investment which resulted in a gain of $0.5 million; and
- Revaluation of Ceibo investment which resulted in a gain of $0.2 million.

The loss on embedded derivative relates to the Convertible Loan conversion rights embedded derivative as required by IFRS Accounting Standards. The convertible note has not been converted to stock as of present date.

Professional consulting fees decreased by $61 during 2024 due to decreased legal fees as there were fewer transactions entered during the year compared to 2023, meaning fewer due diligence fees and tax advise relating to transactions.

General and administrative expenses include salary costs for five employees of the Company, website and marketing development fees. The $0.4 million decrease in general and administrative charges during 2024 was mainly driven by decreased listing and filings fees, along with lower marketing costs.

Stock-based compensation expense also increased year-over-year due to the stock options and equity incentive units ("EIU") granted to all 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 have increased significantly from 2022 to 2024 primarily due to increased investment activity, investing further into BSL, MagIron, Maginito, and Ceibo and upward revaluation of the investments made.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for each of the eight most recently completed quarters are as follows:

$000's except per share	2024				2023			
Amounts	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net income (loss) the period	533	(2,193)	1,454	(39)	(3,340)	3,249	10,376	(521)
Net income (loss) per common share								
Basic	$0.01	($0.03)	$0.02	($0.00)	($0.06)	$0.06	$0.19	($0.01)
Diluted	$0.01	($0.03)	$0.02	($0.00)	($0.06)	$0.06	$0.19	($0.01)

The Company does not have any cash flow operations yet and therefore income is mainly generated from revaluation of investments. During the quarter the Company recorded a gain on its investments of $1,825 primarily due to FV adjustments to MagIron and BSL. Costs during the period were primarily driven by general and administrative expenses of $573, finance expenses of $644, legal fees of $83, stock-based compensation of $443, accounting review and audit fees of $116, and interest expense for loans outstanding of $78. There was also a $178 loss on embedded derivative.

During the prior Quarter, or Q3, and the comparative quarter in Q4 2023, the Company reported losses of $2,193 and $3,340 respectively. This was mainly driven by the vesting of EIUs in Stock-Based Compensation for Q3 2024 resulting in a liability of $1,219; and a loss on the Company's investments of $2,001 primarily due to FX movements in the USD to CAD.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company has accumulated a deficit of $91,008 as at December 31, 2024. For the year ended December 31, 2024, the Company used cash in operating activities totalling $1,685. The Company had cash and cash equivalents of $755 and a working capital deficit of $719 as at December 31, 2024, inclusive of $1,296 owed to two directors and an officer of the Company.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

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.

As at December 31, 2024 the Company had investments with a total book value of $40,542, current assets of $1,198, offset by current liabilities of $1,917 and non-current liabilities of $5,845. Current liabilities and non-current liabilities include obligations to related parties totalling $6,568.

TRANSACTION WITH RELATED PARTIES

All related party transactions were incurred in the normal course of operations and are recorded at the amount agreed upon by the 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 and Board Chairman 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 for the twelve months ended December 31, 2024, and 2023:

	Dec. 31, 2024 **$**	**Dec. 31, 2023** **$**
Short-term salaries and benefits	(1,362)	(1,391)
Share-based compensation	(1,364)	(530)
Total	**(2,726)**	**(1,921)**

There is $1,296 of accrued salaries in accrued liabilities for the CEO, CFO and Board Chairman which remain to be paid.

Other Related Party Transactions

As at December 31, 2024, a total of $2 was payable to a Director and an Officer for expenses paid on behalf of the Company which is included in trade and other payables. $1,046 was accrued for salaries for both the CEO and CFO which is included in accrued liabilities which remain to be paid.

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.

On September 30, 2024, the Company entered into an additional unsecured loan agreement with Kings Chapel for an amount of $1,500 to fund general working capital requirements. The loan note attracts interest at 10% per annum, is unsecured and is repayable on the earlier of the date on which the Company receives gross proceeds from equity financing transactions of at least $5 million and September 30, 2026. The loan will be drawn down in tranches.

On November 19, 2024, the Company entered into a convertible loan agreement with Kings Chapel. All outstanding notes payable to Kings Chapel were converted into the convertible loan. The Company recognized a balance of $2,334 in convertible loans and $396 in embedded derivatives as Kings Chapel has the option to convert the loan into common shares at $0.75 per share. In addition, the principal amount of the loan is automatically converted into common shares at $0.75 per share if at any time after January 1, 2025, the Company's stock price exceeds $1.00 for 15 consecutive days. However, the convertible loan will only be converted into common shares to the extent that it does not result in Kings Chapel and its related parties owning more than 49% equity interest in the Company.

In addition, Kings Chapel agreed to provide an additional $1,500 through three separate tranches: $500 on November 7, 2024, $500 on December 9, 2024, and $500 on January 7, 2025. The First and Second Tranche each had an embedded derivative of $89 respectively which was determined using Monte Carlo simulation, based on a share price volatility of 4.9% and 4.7%, a term of 3.2 and 3.1 years, and risk-free rates of 3.0% and 2.9%, respectively for the First and Second Tranche.

As at December 31, 2024, the embedded derivative was valued at $752 using Monte Carlo simulation to forecast the Company's share price throughout the remaining term of the note. The basis of the Monte Carlo simulation used share price volatility of 4.7%, a term of 3 years, and a risk-free rate of 2.9%. For the twelve months ended December 31, 2024, the Company recorded a FV loss on the embedded derivative of $178. The principal component of the convertible loan was $3,214 as at December 31, 2024.

Insiders of the Company participated in the April Private Placement in the amount of 4,050,000 Units for gross proceeds of $2,025. Kings Chapel participated in the amount of 4,000,000 Units, and a Director participated in the amount of 50,000 Units.

Kings Chapel participated in the July Private Placement in the amount of 5,500,000 Units for gross proceeds of $2,750.

Pursuant to the compensation agreement with the CEO, the Company has awarded and will continue to award to the CEO additional EIUs equal to 7% of the common shares issued or issuable pursuant to financing transactions on each closing date of such transactions from November 27, 2023 until December 31, 2025 ("December 2025 Compensation Agreement") excluding certain common shares issued on which broker fees are payable. Each EIU is equivalent in value to one common share of the Company, and will vest on the earlier of i) December 31, 2026 for the December 2025 Compensation Agreement, provided that the 30-day volume weighted average trading price ("VWAP") of the common shares as on the principal stock exchange on which they are then traded is at least $1.10 per share (adjusted as required to give effect to any stock splits, consolidations or other reorganizations of the common shares after the date hereof), and ii) the date on which the Company completes a change of control (the "Vesting Date"), provided in either case that the Director becomes engaged with the Company as Executive Chair or CEO and remain so engaged as of the respective Vesting Dates. If the EIUs vest in accordance with the aforementioned conditions, then no later than 10 days after the respective Vesting Dates, the Company will deliver in respect of every Unit, at its discretion, either i) one common share or ii) a cash payment equal to the VWAP of the common shares on the primary stock exchange for the five trading days immediately preceding the Vesting Date.

In connection with the December 2025 Compensation Agreement, the Company has also awarded and will continue to award to the CEO additional stock options equal to 5% of the common shares issued pursuant to financing transactions on each closing date of such transactions until December 31, 2025, excluding certain common shares issued on which broker fees are payable. Each award under this agreement will have an exercise price equal to the most recent closing price of the common shares as of the date of the grant, a term of 10 years and will be subject to vesting over three years, with 1/3 of each option grant vesting each year.

As at December 31, 2024, 2,409,173 EIUs vested resulting in a liability of $1,219 to the CEO and Board Chairman, and 2,305,831 EIUs expired as of August 30, 2024 as they did not meet the vesting conditions.

As at December 31, 2024, the fair value of the EIUs were calculated using Monte Carlo simulation using an expected volatility of approximately 63% based on historical 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 estimate liability for these EIUs would be $1,351. At $1.15 per share, the estimated liability would be $1,412; at $1.20 per share, the estimated liability would be $1,474, and at $1.25 per share the estimated liability would be $1,535. As at December 31, 2024, the closing share price for the Company on the TSX-V, was $0.63 per share, which if traded at these levels and up to $1.10 per share as of the Vesting Date, would result in a liability of nil for these EIUs.

EIU's granted to the CEO and Board Chairman pursuant to the above-noted arrangement as of December 31, 2024 are presented below:

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

EIUs Granted during the twelve months ended Dec. 31 2024

Date of Grant	Vesting Date	Owner	Number Awarded #	Grant Value $	Value as at Dec. 31, 2024 $
February 15, 2024	December 31, 2026	CEO	91,000	33	27
April 25, 2024	December 31, 2026	CEO	289,872	62	87
May 15, 2024	December 31, 2026	CEO	70,350	14	21
July 11, 2024	December 31, 2026	CEO	385,000	69	115
			836,222	**$178**	**$250**

Balance of EIUs as of Dec. 31, 2024

Owner	Number Awarded #	Grant Value $	Value as at Dec. 31, 2024 $
CEO	1,228,157	1,114	327
	1,228,157	**1,114**	**327**

Stock Options granted to the CEO pursuant to the above-noted arrangement as of December 31, 2024, are presented below:

Stock Options granted during the twelve months ended Dec. 31, 2024

Date of Grant	Expiry Date	Owner	Number Awarded #	Grant Value $	Exercise Price $	Term Years
January 25, 2024	January 25, 2034	CEO	279,954	0.42	0.75	10
February 15, 2024	February 15, 2034	CEO	65,000	0.51	0.75	10
April 25, 2024	April 25, 2034	CEO	207,051	0.38	0.50	10
May 15, 2024	May 15, 2034	CEO	50,250	0.36	0.50	10
July 11, 2024	July 11, 2034	CEO	275,000	0.33	0.50	10
			877,255			

Balance of Stock Options as of Dec. 31, 2024

Owner	Number Awarded #
CEO	3,608,626
Chairman	430,611
	4,039,237

SUBSEQUENT EVENTS

Kings Chapel Convertible Loan

On January 6, and February 6, 2025, the Company drew down on its Kings Chapel Convertible Loan in the amount of $500 on each date.

On February 28, 2025, the Company and Kings Chapel agreed an amendment to the convertible loan agreement dated November 19, 2024 ("Convertible Loan Agreement") with Kings Chapel. Pursuant to the amendment, the principal amount available to the Company under the Convertible Loan Agreement has been increased by up to $2.5 million. The outstanding principal amount of the loan bears interest at an annual rate of 10% and is repayable, together with accrued and outstanding interest, on December 31, 2027. The Corporation's obligations under the Convertible Loan Agreement are unsecured. All conversion features remain unchanged.

On March 5, and on March 19, 2025, the Company drew down on an additional $500 under the convertible loan, and $250 on April 16, and on April 28, 2025.

MagIron

On February 4, 2025, and on March 25, 2025, the Company invested US$148,500 and US$132,071 respectively, to maintain its equity interest.

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 reasonable 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 and convertible notes receivable may be adjusted if:

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.

The valuation of the equity investment in MagIron LLC required significant judgment in that the most recent fundraise was supported by existing shareholders based on a valuation determined by MagIron’s management using an Income Approach. Management considered the uncertainties around the project milestones and applied a discount factor in order to reflect management’s expectation of the project being successful as well as the likelihood of a liquidity event.

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.

Determination of Control or Significant Influence Over Investees

The assessment of whether the Company has a significant influence or control over an investee requires the application of judgement when assessing factors that could give rise to a significant influence or control. Factors evaluated when making a judgement of control or significant influence over an investee include, but are not limited to, ownership percentage, representation on the board of directors, participation in the policy-making process, material transactions and contractual arrangements between the Company and the investee, interchange of managerial personnel, provision of essential technical information and potential voting rights. In evaluating these factors, the Company determines the level of influence over the investee the Company has. Changes in the Company's assessment of the factors used in determining if control or significant influence exists over an investee would impact the accounting treatment of the investment in the investee.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

BALANCE SHEET ARRANGEMENTS

At December 31, 2024, 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 International Limited, a company associated with Julian Treger, is a shareholder in both BSL and MagIron. As a result, Mr. Treger has recused himself 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 28, 2025

a) Authorized and issued Share Capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	71,547,530

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

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

February 16, 2024	February 16, 2034	$0.75	65,000
February 20, 2024	February 20, 2023	$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

c) Summary of Warrants Outstanding:

Date of Issue	Expiry Date	Exercise Price	Number of Warrants
May 15, 2024	May 15, 2025	$1.05	1,005,000

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.