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HYPROMAG USA COMMENCES PROCESS TO APPOINT EPCM PROVIDER FOR RARE EARTH MAGNET RECYCLING AND MANUFACTURING PROJECT

London / Vancouver: December 5, 2024 – CoTec Holdings Corp. (TSXV: CTH; OTCQB: CTHCF) (“CoTec”) and Mkango Resources Ltd. (AIM/TSX-V: MKA) (“Mkango”) are pleased to announce the initiation of a “Request for Proposal” process from leading Engineering, Procurement and Construction Management (“EPCM”) providers to complete the detailed engineering design, procurement and construction management phase for HyProMag USA LLC. (“HyProMag USA”) state-of-the-art rare earth magnet recycling and manufacturing project in the United States (the “Project”).

The results of the positive feasibility study for the Project were announced on November 25, 2024, which can be accessed via the following link: <https://hypromagusa.com/hypromag-usa-feasibility-study-demonstrates-robust-economics-and-the-opportunity-to-develop-a-major-new-domestic-source-of-recycled-rare-earths-magnets-for-the-united-states/>

The detailed engineering design phase will include the completion of sufficient engineering design works to support development of the AACE1 Class 1 capital cost estimate to update that of the Feasibility Study. This will also support the final site selection efforts which are to be completed in H1 2025 and allow the commencement of site permitting in line with the initial project schedule. This targets initial revenue in Q1 2027.

Following completion of the detailed engineering design phase, a decision is expected to be taken mid-2025 as to whether HyProMag USA will proceed with the final procurement and construction of the Project (the “Notice to Proceed”).

Julian Treger, CoTec CEO commented: *“Following the successful completion of the independent Feasibility Study, we are looking forward to working with leading EPCM providers to build these facilities. The detailed engineering design phase is expected to deliver further cost savings and design improvements which should enhance the Project’s metrics. The company is now focused on working with its stakeholders and potential partners in securing funding from the U.S. Government, financing, off-take and feed supply. The end-to-end process of recycling end-of-life NdFeB magnets into new sintered NdFeB magnets is supported by the Minerals Security Partnership² which aims to accelerate the development of secure, diverse, and sustainable supply chains for critical minerals.”*

Will Dawes, Mkango CEO commented: *“Momentum continues on the Project following the positive results from the feasibility study announced last week, and we are very excited to be pushing forward with the EPCM selection process. This important Project will help catalyze further development of a robust domestic ecosystem for rare earth magnet recycling and manufacturing in the United States, and will be underpinned by rigorous design and engineering standards. We look forward to working with the Project team as we move to the next stage of development.”*

Ownership

HyProMag is 100 per cent owned by Maginito Limited (“Maginito”), which is owned on a 79.4/20.6 per cent basis by Mkango and CoTec. HyProMag USA is owned 50:50 by CoTec and Maginito.

About HyProMag

HyProMag is commercializing the patented Hydrogen Processing of Magnet Scrap (“HPMS”) recycling technology in the UK, Germany and United States. HyProMag is also evaluating other jurisdictions, and in mid-2024 launched a collaboration with Envipro on rare earth magnet recycling in Japan. HPMS technology was developed at the Magnetic Materials Group (MMG) at University of Birmingham, underpinned by approximately US\$100 million of research and development funding, and has major competitive advantages versus other rare earth magnet recycling technologies, which are largely focused on chemical processes but do not solve the challenges of liberating magnets from end-of-life scrap streams.

The MMG is internationally recognized for its work on the circular economy of rare earth magnets. The group has made major contributions to research and industrial application of hydrogen for processing of magnets. Professor Emeritus Harris pioneered the initial work on hydrogen decrepitation (HD), currently used worldwide to produce magnets, and co-authored the 1986 paper on the world’s first hydrogen based sintered magnet. Today, almost all NdFeB magnet production and recycling methods take advantage of the HD process.

The HPMS process recovers neodymium iron boron (“NdFeB”) permanent magnets from end-of-life scrap streams in the form of a demagnetized NdFeB metallized alloy powder for remanufacture into recycled NdFeB magnets with a significantly reduced carbon footprint, and has major competitive advantages versus other magnet recycling methods using chemical processes.

About CoTec Holdings Corp.

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 is an environment, social, and governance (“ESG”)-focused company investing in innovative technologies that have the potential to fundamentally change the way metals and minerals can be extracted and processed for the purpose of applying those technologies to undervalued operating assets and recycling opportunities, as it transitions into a mid-tier mineral resource producer.

CoTec is committed to supporting the transition to a lower carbon future for the extraction industry, a sector on the cusp of a green revolution as it embraces technology and innovation. It has made four investments to date and is actively pursuing operating opportunities where current technology investments could be deployed.

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

About Mkango Resources Ltd.

Mkango is listed on the AIM and the TSX-V. Mkango’s corporate strategy is to become a market leader in the production of recycled rare earth magnets, alloys and oxides, through its interest in Maginito Limited (“Maginito”), which is owned 79.4 per cent by Mkango and 20.6 per cent by CoTec, and to develop new sustainable sources of neodymium, praseodymium, dysprosium and terbium to supply accelerating demand from electric vehicles, wind turbines and other clean energy technologies.

Maginito holds a 100 per cent interest in HyProMag and a 90 per cent direct and indirect interest (assuming conversion of Maginito’s convertible loan) in HyProMag GmbH, focused on short loop rare earth magnet recycling in the UK and Germany, respectively, and a 100 per cent interest in Mkango Rare Earths UK Ltd (“Mkango UK”), focused on long loop rare earth magnet recycling in the UK via a chemical route.

Maginito and CoTec are also rolling out HyProMag’s recycling technology into the United States via the 50/50 owned HyProMag USA LLC joint venture company. HyProMag is also evaluating other jurisdictions, and recently launched a collaboration with Envipro on rare earth magnet recycling in Japan.

Mkango also owns the advanced stage Songwe Hill rare earths project and an extensive rare earths, uranium, tantalum, niobium, rutile, nickel and cobalt exploration portfolio in Malawi, and the Pulawy rare earths separation project in Poland.

For more information, please visit www.mkango.ca

Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR') which has been incorporated into UK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements (within the meaning of that term under applicable securities laws) with respect to Mkango and CoTec. Generally, forward looking statements can be identified by the use of words such as “plans”, “expects” or “is expected to”, “scheduled”, “estimates” “intends”, “anticipates”, “believes”, or variations of such words and phrases, or statements that certain actions, events or results “can”, “may”, “could”, “would”, “should”, “might” or “will”, occur or be achieved, or the negative connotations thereof. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Such factors and risks include, without limiting the foregoing, the availability of (or delays in obtaining) financing to develop the Recycling Plants being developed by Maginito in the UK, Germany and the US (the “Maginito Recycling Plants”), the implementation of matters set out in the Feasibility Study, governmental action and other market effects on global demand and pricing for the metals and associated downstream products for which Mkango is exploring, researching and developing, the ability to scale the HPMS and chemical recycling technologies to commercial scale, competitors having greater financial capability and effective competing technologies in the recycling and separation business of Maginito and Mkango, availability of scrap supplies for Maginito’s recycling activities, government regulation (including the impact of environmental and other regulations) on and the economics in relation to recycling and the development of the Maginito Recycling Plants and future investments in the United States pursuant to the proposed cooperation agreement between Maginito and CoTec, the outcome and timing of the completion of the feasibility studies, cost overruns, complexities in building and operating the plants, and the positive results of feasibility studies on the various proposed aspects of Mkango’s, Maginito’s and CoTec’s activities. The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, the Company and CoTec disclaim any intention and assume no obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by applicable law. Additionally, the Company and CoTec undertake no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

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This press release does not constitute an offer to sell or a solicitation of an offer to buy any equity or other securities of the Company in the United States. The securities of the Company will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

¹ <https://web.acei.org/about/about-acei>

² <https://www.state.gov/joint-statement-on-the-minerals-security-partnership-announce-support-for-mining-processing-and-recycling-projects/>