



COTEC HOLDINGS CORP. NOTES HYPMAG UK PLANT OPENING

UK Minister for Industry opens HyProMag UK's first commercial scale rare earth sintered magnet manufacturing facility

Facility derisks HyProMag USA roll out and accelerates opportunity for U.S. customer magnet product verification

Vancouver, British Columbia – January 15, 2026 – CoTec Holdings Corp. (TSX-V: CTH; OTCQB: CTHCF) (“CoTec” or the “Company”) is pleased to note today’s press release by HyProMag USA, LLC (“HyProMag USA”), its U.S.-based joint venture rare earth permanent magnet recycling and manufacturing company.

HyProMag USA announced the official launch of HyProMag Limited’s (HyProMag) rare earth magnet facility today at Tyseley Energy Park (the “UK Facility”). The UK Facility has been developed by the Magnetic Materials Group (“MMG”) at the University of Birmingham and constructed and commissioned alongside HyProMag. The University of Birmingham and HyProMag today host the opening of the Facility for separating and recycling rare earth magnets using the patented Hydrogen Processing of Magnet Scrap (“HPMS”) technology, licensed exclusively to HyProMag. The Facility will be officially opened by Chris McDonald MP, Minister for Industry in the Department for Energy Security and Net Zero and the Department for Business and Trade.

The Facility is the only commercial scale rare earth sintered magnet manufacturing facility in the UK. HyProMag has successfully operated the Facility as the industrial partner, utilising the HPMS technology to produce a recycled NdFeB alloy powder, as well as having produced recycled NdFeB sintered magnet blocks utilising the recycled alloy powder. The Facility can recover over 400kg of rare earth alloy per batch utilising the HPMS reactor and can produce new sintered magnets from the recycled rare earth alloy at a capacity of 100 tonnes per annum on a single shift, and over 300 tonnes per annum on multiple shifts.

Julian Treger, Chief Executive Officer of CoTec, commented: “*The official opening of HyProMag UK's Plant is a major achievement after 20 years development at the University of Birmingham. The Magnetic Materials Group are established as industry leaders in the field of recycling of rare earths through their proprietary HPMS technology to produce recycled permanent magnets. HyProMag's first plant will provide the foundation of technical expertise to support a scalable U.S. manufacturing platform and optimize products for U.S. customers. Collaboration between the HyProMag businesses provides a long-term solution in securing resilience in domestic supply chains.*”

CoTec holds a 60.3% equity interest in HyProMag USA (50% direct and 10.3% indirect).

Building Momentum Toward U.S. Commercial Scale

HyProMag USA is building momentum through a series of recent milestones for HyProMag USA, including expansion announcement in South Carolina and Nevada, detailed engineering and feasibility work on the Texas Hub, execution of the site lease at the Ironhead Commerce Center, and the company's intention to pursue a U.S. public listing. Together these developments reflect accelerating momentum as HyProMag USA advances toward commercial operations and a scaled manufacturing footprint across the U.S.

In parallel, HyProMag USA is engaging with large technology and infrastructure operators to support the growing need for secure, domestic recycling solutions for magnet-bearing equipment used in hyperscale data centers and AI infrastructure. HyProMag USA's modular, low carbon, magnet-to-magnet recycling platform is designed to support end-of-life recovery of rare earth materials from servers, storage systems, and related equipment, positioning HyProMag USA as a preferred long-term recycling and manufacturing partner for hyperscale customers as capacity expands in the United States.

About HyProMag USA

HyProMag USA LLC is owned 50:50 by CoTec Holdings Corp. (TSX-V: CTH; OTCQB: CTHCF) ("CoTec") and HyProMag Limited. HyProMag Limited is 100% owned by Maginito Limited which is owned on a 79.4%/20.6% basis by Mkango Resources Ltd. (AIM/TSX-V: MKA) and CoTec.

About CoTec

CoTec Holdings Corp. (TSX-V: CTH, OTCQB: 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 for the United States and its allies.

CoTec's mission is clear: accelerate the energy transition while strengthening U.S. economic and national security. 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 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 Company's interest in HyProMag USA, the potential future value of HyProMag USA and management's expectations with respect to its current and potential future investments, including HyProMag USA, 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 and transport 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. 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.sedarplus.ca.

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