



COTEC HOLDINGS CORP. SUBSIDIARY HYPROMAG USA LLC. TO BENEFIT FROM USA 25% TARIFF ON PERMANENT MAGNETS

Vancouver, British Columbia – May 16, 2024 – CoTec Holdings Corp. (TSXV: CTH; OTCQB: CTHCF) (“CoTec” or the “Company”) noted the White House’s announcement that beginning 2026 the US Government will impose a 25% tariff on imports of Chinese permanent magnets.

CoTec holds a 60.3 percent equity interest (50% direct and 10.3% indirect) in HyProMag USA LLC. (“HyProMag USA”), a company that is targeting the deployment of the revolutionary HyProMag rare earth element (“REE”) recycling technology in the USA. The remaining 50% direct equity interest in HyProMag USA is held by Maginito Limited, a 79.4% subsidiary of Mkango Resources Ltd.

HyProMag has licensed the patented technology HPMS (Hydrogen Processing of Magnet Scrap) which is used to extract NdFeB magnets from electrical products such as hard disk drives and EV motors. The extracted NdFeB powder is in the form of an alloy which can be re-processed into different forms and sold back into the supply chain as rare earth permanent magnets.

HyProMag USA is currently completing a feasibility study for the roll-out of the HyProMag technology at three sites in the USA. The current focus is on Texas, Fort Worth for the first recycling spoke and magnet production facility (~500 tonnes of NdFeB finished permanent magnets and alloys per annum).

Julian Treger, CoTec CEO commented; “This announcement will provide further support to the business case of HyProMag USA. Subject to positive conclusion of the feasibility study, HyProMag USA is targeting first revenue by 2026, coinciding with the commencement of these tariffs.”

About CoTec

CoTec is a publicly traded investment issuer listed on the TSX Venture Exchange (“TSX-V”) and the OTCQB and trades under the symbol CTH and CTHCF respectively. The Company is an environment, social, and governance (“ESG”)-focused company investing in innovative technologies. These technologies 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 the Company 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. The Company has made four investments to date and is actively pursuing operating opportunities where current technology investments could be deployed.

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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 its investments in Maginito and HyProMag USA and its ongoing HyProMag USA feasibility study, 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. 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.

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