

Mkango Subsidiary, Maginito, and CoTec Form US Joint Venture

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LONDON, September 14, 2023 - [CoTec Holdings Corp.](#) (TSXV:CTH)(OTCQB:CTHCF) ("CoTec") and [Mkango Resources Ltd.](#) (AIM/TSX-V: MKA) ("Mkango") are pleased to announce that CoTec and Maginito Limited ("Maginito") have entered into a binding letter agreement pursuant to which they have agreed a 50:50 joint venture (the "Joint Venture") in relation to the United States roll-out of HyProMag's rare earth magnet recycling technology. HyProMag's technology will be sublicensed to the new Joint Venture company, HyProMag US, on formation.

HyProMag is 100 per cent owned by Maginito Limited ("Maginito"), which is owned on a 90:10 basis by Mkango and CoTec. HyProMag is commercialising rare earth magnet recycling using Hydrogen Processing of Magnet Scrap (HPMS) technology in the UK, Germany and United States, with first production expected in the UK in 2023 and in Germany in 2024. Revenue from the US Joint Venture is targeted for 2025/2026.

The Joint Venture will initially be focused on completing a scoping study and a bankable feasibility study ("Feasibility Study") for the deployment of three HPMS vessels utilizing the HyProMag technology and one magnet manufacturing facility in the US (combined the "US Project"). The Feasibility Study is expected to be completed in 2024. Following completion of the Feasibility Study, CoTec and Mkango would make a joint decision on whether the Joint Venture will proceed with the construction of the US Project.

CoTec will fund the initial operations of the Joint Venture, including the costs of the Feasibility Study. If the Joint Venture proceeds with the construction of the US Project, CoTec will also be responsible for funding all the development costs of the US Project, with a total expected funding of £30 million to £50 million during the first three years post completion of the Feasibility Study, subject to results of the Feasibility Study. All funding provided by CoTec would be in the form of shareholder loans. CoTec and Mkango also expect that the Joint Venture will seek US government funding for the US Project.

The parties have agreed that certain long lead items could be pre-ordered to expedite, subject to approval, the development of the US Project. A comprehensive joint venture agreement dealing with all other commercial aspects of the US Project, consistent with the terms of the existing cooperation agreement between CoTec and Mkango, will be agreed by the parties in parallel with the completion of the Feasibility Study.

Julian Treger, CoTec CEO commented; "This is a major step forward for CoTec and Mkango/Maginito and we are looking forward to working with the Mkango and HyProMag teams on this very exciting, proven and much needed technology in the US targeting the long-term supply of low cost, sustainable recycled rare earth magnets.

"The US presents a significant opportunity for the HyProMag technology and the technical skills of Mkango and HyProMag combined with CoTec's commercial strength could potentially provide shareholders with a unique and robust value proposition in the rare earth industry in the right jurisdiction at the right time."

"We look forward to working and collaborating with local, state and federal stakeholders targeting the completion of the feasibility study".

Will Dawes, Mkango CEO commented; "We see a very significant opportunity in the US market and look forward to working with CoTec and HyProMag as we move into the next phase of growth."

"Less than 5 per cent of rare earth magnets are currently recycled from end-of-life products. Increasing

recycling rates via HyProMag's HPMS technology solution to unlock this new potential source of rare earths, thereby avoiding waste to landfill and significantly reducing the carbon footprint, can make a major contribution to creating more sustainable and robust rare earth supply chains across multiple jurisdictions."

HPMS technology was developed at the University of Birmingham, underpinned by approximately US\$100 million of research and development funding, and has major competitive advantages versus other rare 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 - HPMS provides the solution. HyProMag's company presentation can be viewed via the following link: [HyProMag Corporate Presentation](#)

Maginito

Maginito is a UK based Company owned 90 per cent by Mkango and 10 per cent by CoTec. It is focused on developing green technology opportunities in the rare earths supply chain, encompassing neodymium (NdFeB) magnet recycling as well as innovative rare earth alloy, magnet, and separation technologies.

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

About Mkango Resources Ltd.

Mkango's corporate strategy is to develop new sustainable primary and secondary sources of neodymium, praseodymium, dysprosium and terbium to supply accelerating demand from electric vehicles, wind turbines and other clean technologies. This integrated Mine, Refine, Recycle strategy differentiates Mkango from its peers, uniquely positioning the Company in the rare earths sector. Mkango is listed on the AIM and the TSX-V.

Mkango is developing its flagship Songwe Hill rare earths project ("Songwe") in Malawi with a Definitive Feasibility Study completed in July 2022 and an Environmental, Social and Health Impact Assessment approved by the Government of Malawi in January 2023.

In parallel, Mkango and Grupa Azoty PULAWY, Poland's leading chemical have agreed to work together towards development of a rare earth separation plant at Pulawy in Poland (the "Pulawy Separation Plant") to process the purified mixed rare earth carbonate produced at Songwe Hill.

Mkango also has an extensive exploration portfolio in Malawi, including the Mchinji rutile exploration project, the Thambani uranium-tantalum-niobium-zircon project and Chimimbe nickel-cobalt project.

For more information, please visit www.mkango.ca

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. The Company 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 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.

For more information, please visit www.cotec.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 Songwe Hill, the Tyseley Recycling Plant, the HyProMag GmbH Recycling Plant, the Mkango UK Pilot Plant, the Pulawy Separation Plant, 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, geological, technical and regulatory matters relating to the development of Songwe Hill, 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 Tyseley Recycling Plant, the HyProMag GmbH Recycling Plant, the Mkango UK Pilot Plant, the Pulawy Separation Plant 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 as a result 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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