HyProMag USA

Pioneering Domestic Rare Earth Magnet Recycling and Manufacturing

February 2026

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Investment Thesis

Validated Technology

TRL 8 HPMS technology with 15+ years development and $100M+ R&D investment. Plants using this technology already being commissioned in Germany and the UK

Attractive Economics

$780 million post-tax $NPV_{7\%}$ and 38.7% real IRR based on Adamas forecast market prices

Scalable Platform

Modular design with clear path to 3x capacity by 2029

High-Growth Markets

AI infrastructure, defense, robotics, and EV driving 10%+ demand CAGR

First-Mover Advantage

Among the earliest domestic recycling operations targeting commercial production, with significant lead time over competitors still in earlier development stages

First mover in domestic rare earth magnet recycling and manufacturing

The Rare Earth Magnet Opportunity

$19.5B → **$30.3B**

Global NdFeB Magnet Market 2024

By 2033

175 kt

High-Performance NdFeB Demand by 2030

10% CAGR for high-grade magnets

Source: International Energy Agency (IEA), BMO Capital Markets

Market Dynamics

- Structural supply deficit projected through 2035 and beyond
- High-performance segment growing at 10% CAGR
- Critical material for energy transition technologies
- 90%+ of global production currently concentrated overseas

Critical End Markets Driving Magnet Demand

AI Infrastructure

Data Centers

HDDs, cooling systems, servers

Aerospace

Strategic

Guidance systems, drones, electronics

Robotics

Emerging

Industrial and humanoid applications

Electric Vehicles

16% CAGR

80% of EV motors use NdFeB magnets

Wind Energy

12% CAGR

450 kg NdFeB per MW (offshore)

Source: BMO Capital Markets Research

HyProMag USA at Glance

Company Description

HyProMag USA is developing advanced rare earth magnet recycling and manufacturing operations to establish a secure domestic U.S. supply chain for NdFeB magnets, essential components for AI infrastructure, defense systems, robotics, electric vehicles, and advanced electronics.

Leveraging proprietary HPMS technology developed over 15 years with more than $100 million in R&D investment, the Company delivers faster magnet-to-magnet short-loop recycling that uses 88% less energy and reduces carbon emissions by 85% compared to conventional methods.

Key Facts

Headquarters

Dallas-Fort Worth, TX

Ownership

HyProMag USA 50:50 by CoTec Holdings Corp and HyProMag Limited

Status

Development Stage

Target Production

H2-2027

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

The HPMS Technology Advantage

Hydrogen Processing of Magnet Scrap (HPMS)

Proprietary short-loop recycling technology that extracts rare earth magnets directly from end-of-life products without chemical processing; solving the challenge of rare earth magnet recycling. Developed by the University of Birmingham over 15 years with more than $100 million in R&D investment.

TRL 8

Technology Readiness Level

Proven in UK and German operations

88%

Less Energy

85%

Lower Carbon

98%

Separation Efficiency

ISO-Compliant Product Carbon Footprint: **2.35 kg CO_2-eq** per kg of NdFeB sintered block

How HPMS Works

1 Feedstock Collection

Data center equipment, consumer electronics, manufacturing scrap, EV motors

2 HPMS Processing

Hydrogen decrepitation extracts magnets in 4-8 hour cycles

3 Powder Production

High-purity NdFeB alloy powder for remanufacturing and supply to long loop extraction process

4 Sintering

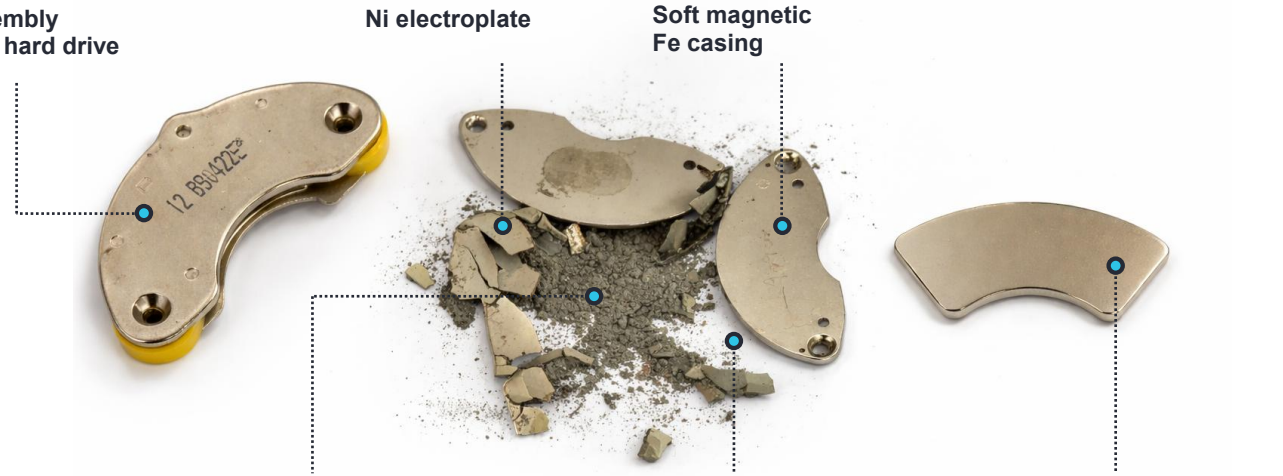
Powder pressed and sintered into magnet blocks

5 Finished Magnets

Cut, coated, and magnetized for customer specifications

Short-Loop Advantage: Magnet-to-magnet recycling bypasses conventional chemical processing, enabling faster turnaround and significantly lower costs versus long-loop methods

Hydrogen Processing Of Magnet Scrap (HPMS)



HPMS process (Hydrogen processing of magnet scrap – US patent – No.13/169839

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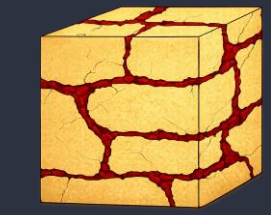
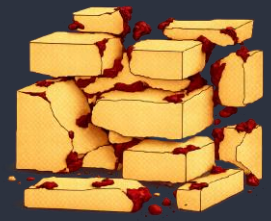
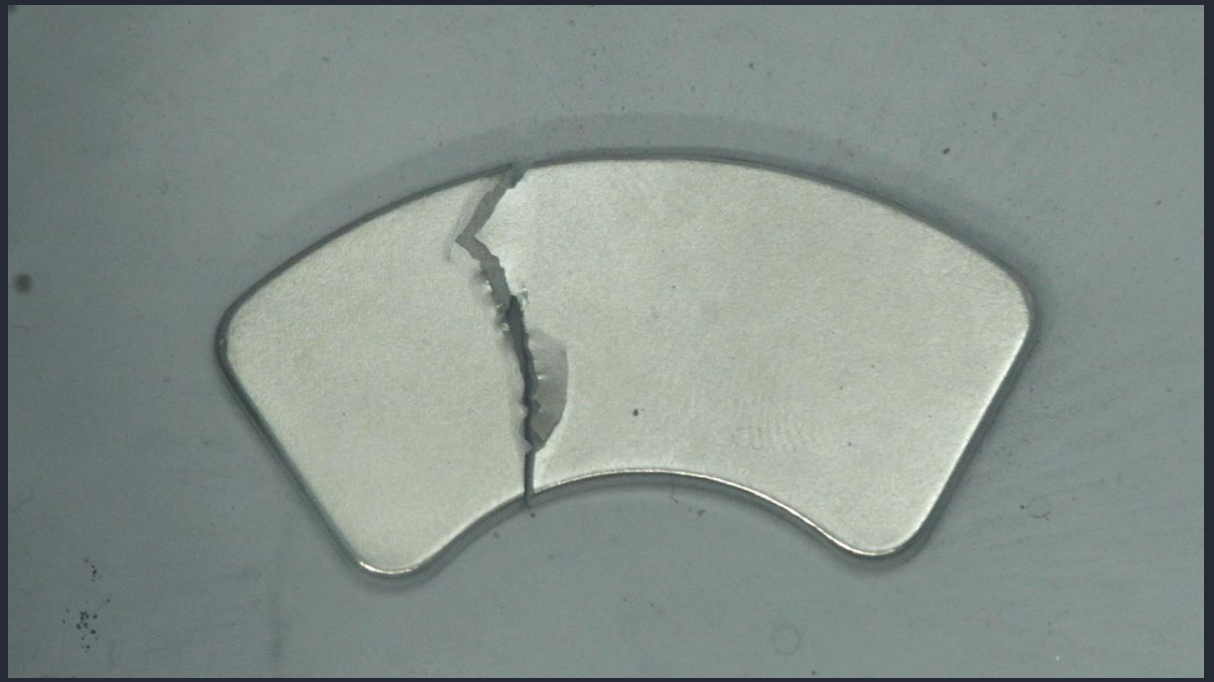
Hydrogen Processing Of Magnet Scrap (HPMS)



Nd_2Fe_{14}
BNd-Rich

H_2





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Texas Hub Project Overview

128,000 sq. ft. Facility
Northlake, Dallas-Fort Worth, Texas
25-year lease executed; procurement started

Detailed Engineering Underway
First Revenue Targeted: H2-2027

Annual Production at Full Capacity

- **479 tpa** NdFeB finished magnets
- **462 tpa** NdFeB sintered blocks
- **504 tpa** NdFeB alloy powder
- **107 tpa** swarf and offcuts
- **1,552 tpa** total NdFeB products

Facility Highlights

- Three HPMS processing vessels
- Full suite magnet recycling and production
- Grain Boundary Diffusion for high-coercivity magnets (>20 kOe)
- **90-100** skilled manufacturing jobs
- **40-year** operating life
- Detailed engineering at **30%**

Project Economics

Current Market Prices	
Post-Tax NPV	**$409M**
Real IRR	**27.6%**
Payback Period	**3.1 years**
Profitability Index	**2.89**

Initial Capital $142M

Forecast Market Prices	
Post-Tax NPV	**$780M**
Real IRR	**38.7%**
Payback Period	**2.2 years**
Profitability Index	**5.5**

AISC: $22.3/kg vs. $56.8/kg Market

Based on Class 2 AACE capital cost estimate and detailed engineering design (December 2025)

Scalable Growth Platform

Plant 1 (Texas)

Lead Facility

Timeline

H2-2027

Capacity

1,552 tpa NdFeB/year

Plant 2

Expansion

Status

Pre-Feasibility

Capacity

1,552 tpa NdFeB/year

Plant 3

Expansion

Status

Pre-Feasibility

Capacity

1,552 tpa NdFeB/year

Three-Plant Target:
~4,500 tpa by 2029

~4,656 tpa

Total Capacity

NdFeB Products

>$2B

Post-Tax NPV

Forecast Prices

Expansion Studies

Short-loop study completed (Nov 2025)

Long-loop hydro-met study completed (Oct 2025)

Nd metalization under evaluation

Modular expansion based on pre-processing spoke operations through: alloy powder → sintered blocks → finished magnets

Strategic Partnerships

U.S. DEPARTMENT of STATE

Government Support

Minerals Security Partnership selected project. One of only 17 projects selected across the critical minerals sector.

COTEC

JV Co-Founder (50%)

Strategic capital and project development expertise

Intelligent Lifecycle Solutions

Feedstock Partner

Pre-processing facilities co-located in South Carolina and Nevada. Feedstock stockpiling commenced August 2025.

HYPROMAG Magnet Recycling

JV Co-Founder (50%)

Commercializing HPMS & magnet making in UK & Germany

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Technology Partner

Ongoing R&D support and technology development. 15+ years of collaboration and $100M+ invested in HPMS technology.

MKANGO

79% Owner HyProMag Ltd.

Upstream resource base and recycling platform

Active engagement with hyperscale data centers and AI infrastructure operators for closed-loop recycling solutions

Experienced HyProMag Management Team

Julian Treger

CEO of CoTec (supporting HyProMag USA)

Former CEO, Anglo Pacific Group. Transformed the business from coal royalties to battery metals through $450M in acquisitions, growing income from £3M to £62M. Harvard BA and MBA.

William Dawes

Director of HyProMag USA and CEO of Mkango

Founding Director of Mkango Resources, former Rio Tinto geologist and JPMorgan mining banker. CFA charter holder, Fellow of the Geological Society.

John Singleton

Director of HyProMag USA and COO of CoTec

25+ years mining experience. Senior leadership at De Beers, Rio Tinto, and Centamin. Operational and M&A expertise across multiple commodities. Fellow, Royal Geological Society.

Linda Laurie

Advising Director

Expert in foreign investment, export controls, and dual-use technology. Senior roles at the White House (OSTP), Department of Defense, and AUKUS initiative. Extensive experience in international IP, tech policy, and defense trade. Harvard, NYU, and Cardozo; CFR Life Member.

Allan Walton

Advising Director

Dr. Walton is a Professor of Critical and Magnetic Materials. He is head of the Magnetic Materials Group (MMG) at the University of Birmingham and the former head of the UK Magnetics Society. Over the last ten years he has been developing technologies to sense, sort and extract rare earth magnets from end-of-life products. He is a founding director of HyProMag Ltd.

HyProMag USA is actively recruiting a Texas-based Chief Executive Officer to lead operations from the Dallas-Fort Worth hub

Management and board own approximately 60% of CoTec stock, demonstrating strong alignment with shareholders

Key Milestones And Path Forward

2024

- Bankable Feasibility Study completed
- 50:50 JV established

2025

- Long-loop study (Oct)
- Short-loop study (Nov)
- TX building leased
- Feedstock stockpiling

H2-2027

- First revenue targeted
- Commissioning Production Ramp
- Pre-feasibility studies ongoing

2028-29

- Full capacity 1,552 tpa
- Expansion plants commissioning
- Target ~4,500 tpa

Why Invest In HyProMag USA

- Validated Technology: TRL 8, proven in UK commercial operations, lowest carbon footprint in industry
- Attractive Economics: ~$780M+ NPV, 38.7%+ IRR, 3.1-year payback at current prices
- Scalable Platform: Modular hub-and-spoke model with clear path to triple capacity by 2029
- High-Growth Markets: AI infrastructure, defense, robotics, and EV driving demand
- Experienced Team: Proven track record of value creation in rare earths, magnets, mining, and critical minerals
- First-Mover Positioning: Among the earliest domestic recycling operations targeting commercial production, with time advantage over mine-to-magnet competitors still in earlier development stages

Near-Term Catalysts: First Revenue H2-2027 | Potential U.S. Listing Late 2026/Early 2027 | Expansion Pre-Feasibility Studies Underway

Appendix

Competitor Analysis

HyProMag USA Positioned as The Most Capital-Efficient Path to Domestic Rare Earth Supply…

Ticker	Company	Market Cap.[1]	Current Capacity (MT/yr)	Target Capacity (MT/yr)	CAPEX /Funding Commitment	Timeline	Product Output	Industry
NYSE: MP	**MP Materials**	US$10.2b	1,000[2]	10,000[2]	US$650m committed to 10X facility[3]	2028[4]	Sintered NdFeB Magnets	Mine-to-Magnet in USA
NASDAQ: USAR	**USA Rare Earth**	US$3.8b	4,800[5]	10,000[5]	US$4.1b[5]	2030[5]	Sintered NdFeB Magnets	Mine-to-Magnet in USA
TSE: NEO	**Neo Performance Materials**	CA$0.9b	2,000[6]	5,000[6]	N/A[6]	N/A[6]	Sintered NdFeB Magnets	Downstream Magnet Manufacturing in EU
N/A. Private	**HyProMag USA**	**N/A. Private**	**0**	**4,656**	**US$426m**	**2027-2029**	**Sintered NdFeB Magnets & Powder**	**Recycled Magnet-to-Magnet in USA**

1 Market capitalizations are as of Feb. 19, 2026, undiluted

2 https://s25.q4cdn.com/570172628/files/doc_presentations/2025/Nov/12/MP-Materials-Overview-November-2025.pdf

3 https://www.sec.gov/Archives/edgar/data/1801368/000119312525157310/d43796d8k.htm

4 https://mpmaterials.com/news/mp-materials-announces-transformational-public-private-partnership-with-the-department-of-defense-to-accelerate-u-s-rare-earth-magnet-independence/

5 https://investors.usare.com/static-files/504a8a9a-b867-4a1b-bee4-99b651cb0144; total capex required to achieve 2030 estimated results across mining & processing; metal making; and magnet making

6 https://www.neomaterials.com/neo-ships-magnet-samples-motor-customer/