

CoTec Investment MagIron Acquires Reynolds Pellet Plant and Launches United States Based DR Grade Pellet and Merchant Pig Iron Strategy

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VANCOUVER, December 22, 2025 - [CoTec Holdings Corp.](#) (TSXV:CTH)(OTCQB:CTHCF) ("CoTec" or the "Company") is pleased to note MagIron LLC's ("MagIron") press release dated December 19, 2025. CoTec owns 16.5% of the equity in MagIron on a fully diluted basis.

MagIron announced that it has entered into a binding Asset Purchase Agreement ("APA") to acquire an iron ore pelletizing plant located near Reynolds, Indiana (the "Reynolds Pellet Plant") from Altos Hornos De Mexico, S.A.B De C.V. ("ASHMSA") (the "Acquisition"). The Acquisition is subject to the satisfaction of certain conditions precedent and is expected to close before December 31, 2025. The Acquisition is a significant milestone in MagIron's strategy to produce Direct Reduction ("DR") grade pellets and, over time, establish the U.S.'s first integrated merchant pig iron operation.

The Reynolds Pellet Plant is a modern straight grate, past-producing, restart-ready pelletizer benefiting from approximately \$440 million of prior investment. The facility has previously operated at an annualized run-rate of approximately 2.2 million tonnes per annum ("mtpa") of pellets and was designed to expand to 3.0 mtpa of pellets with limited additional capital. The Reynolds Pellet Plant was previously integrated with MagIron's existing iron ore concentrating facility in Minnesota before being placed into care and maintenance in 2016.

Following completion of the Acquisition, MagIron will own 100% of a vertically integrated portfolio of assets including an iron ore concentrator, a rail load out facility and a pelletizer which were originally built at a total cost of approximately \$660 million.

These integrated facilities will allow MagIron to not only restart iron oxide pellet production relatively quickly, but also to pursue the development of the U.S.'s first vertically integrated merchant pig iron producer. To advance this strategy, MagIron is working with Primetals Technologies, a world leader in the fields of engineering and plant building, to assess the feasibility of a downstream expansion to produce granulated pig iron, which would position MagIron as the only merchant pig iron producer in the U.S. This new, entirely domestic supply chain will allow the U.S. to reduce its near total dependence on foreign imports of this critical material and also improve the quality of pig iron used given the lower levels of impurities compared to existing imports from Brazil. Establishing an onshore merchant pig iron producer is essential for the U.S. to secure the supply chains of strategically important industries including automotive, aerospace and defense.

MagIron Due Diligence Process

The Acquisition follows an extensive due diligence process, including technical, commercial, legal and environmental reviews from third-party consultants. This work included a review of historical production and cost data from when the facility was operating in 2016, which validated key assumptions underpinning MagIron's restart plans, including capex requirements, operating costs, production volumes and the restart schedule.

Larry Lehtinen, CEO of MagIron said: "Acquiring the Reynolds Pellet Plant is a transformative step for MagIron. Together with our successful test work at the NRRI we are well advanced in establishing an entirely domestic supply chain of high-quality, low-carbon ore based metalics for American steel production. Supported by one of the largest and long-life iron resources in North America, MagIron is positioned to be a dependable, long-term partner to the U.S. steelmaking industry - strengthening supply security, improving quality, reducing exposure to increasingly unreliable foreign markets, and supporting the transition to cleaner, low-carbon steelmaking."

Julian Treger, CoTec CEO commented: "This is a significant step forward for MagIron. Once the Acquisition is completed, all the necessary buildings block will be in place for MagIron to execute on its strategy of becoming a fully integrated multi decade DR pellet producer to America's fast growing Electric Arc Furnace steel industry. As investors, we are also encouraged by MagIron's stated strategy of pursuing the development of merchant pig iron facilities due to the much higher market prices for pig iron compared to DR pellets."

"The Acquisition and re-start of the MagIron operations will be funded at the MagIron level, and does not require funding by CoTec. We believe that the successive value accretive asset acquisitions, including the Acquisition, by MagIron over the past few years and our 16.5% equity interest in these assets serves as another marker of the value created by the CoTec team and our belief that there remains a significant gap between the intrinsic value of our assets and our current share price."

For more information on this press release, please visit <https://magironusa.com>

About CoTec

CoTec Holdings Corp. (TSXV: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 game-changing 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 MagIron, the potential completion of the Acquisition, the potential restart of the MagIron operations, the MagIron strategy, including a potential development of pig iron facilities and management's expectations with respect to its 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 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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