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CoTec Holdings Corp.

Sector: Critical Minerals

Update Report
November 2026

CTH-TSX.V, CTHCF-OTCQB

Market Data

Rating	BUY
Target Price	$4.75
Closing price, C$/share	$0.90
52-Week Range, C$/share	$2.71/$0.75
Insider ownership	58%
Shares O/S (Basic)	120.9
Shares O/S (F.D.)	134.3
Market Cap, C$mm	$108.8
Enterprise Value, C$mm	$111.4
Cash, C$mm	$17.8
Debt, C$mm	$20.4

Data as of November 11, 2026

Stock Chart



Source: Capital IQ, Prices in Canadian dollars

Investors attributing no value to flagship HyProMag USA project

- CoTec is an inexpensive stock despite recently having raised $20mm and owning a unique and proven technology that allows for the recycling of rare earth Neodymium Iron Boron (NdFeB) magnets. At current levels, investors can buy CoTec and get HyProMag USA for free.
- HyProMag USA recently published a Pre-Feasibility Study (PFS) that supports a significant expansion of its rare earth magnet manufaturing capabilities. Under the proposal, production of NdFeB magnets and powders would increase from 1,526 tonnes in 2028 to 6,000 tonnes by 2034. This increase would be underpinned by new facilities in South Carolina, Nevada and a second location in Texas.
- We believe the current stock price is comfortably supported by the value of MagIron and Lac Jeannine. On the basis of the values that we attribute to these assets only, we estimate that Cotec is trading at 0.36x NAV.
- Insiders collectively own 58% of the common equity of CoTec. CEO Julian Treger owns 43% of the common equity on his own.
- At current levels the stock is trading at 0.19x NAV. We currently estimate the CoTec NAV to be $4.75/sh. We value HyProMag USA, MagIron and Lac Jeannine using a DCF methodology. Relative to our carrying values, we believe CoTec offers significant upside potential. For this reason, our CoTec NAV is also our target price. As such, we continue to rate the stock as a BUY.

ICG has provided professional services to Cotec Holdings for which it has been compensated

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Investors attributing no value to flagship HyProMag USA project

CoTec Holdings Corp. (CTH-TSXV) is an underappreciated and inexpensive stock, despite having recently raised $20mm via a convertible debenture and owning a unique and proven technology that facilitates the recycling of rare earth Neodymium Iron Boron (NdFeB) rare earth batteries. We question whether the novel nature of the HyProMag USA magnet recycling technology might be causing investors to look for some type of value verifying event before ascribing value to the business. Having said this, at current levels, investors can buy CoTec and get HyProMag USA for free. We currently estimate the CoTec Net Asset Value (NAV) to be $4.75/sh. This suggests the stock is trading at 0.19x NAV. Stated somewhat differently, at current levels CoTec is trading at 0.36x the value we ascribe to MagIron and Lac Jeannine – which are the iron ore tailings businesses in which CoTec has an ownership interest.

PFS supports significant expansion of HyProMag USA

HyProMag USA, a rare earth magnet recycling and manufacturing company majority owned by CoTec, recently published a Pre-Feasibility Study (PFS) that supports a significant expansion of its proposed rare earth magnet manufacturing capabilities. The PFS outlines an expansion strategy that includes three new regional production hubs that would supply semi-finished magnets to a centralized finishing and technology hub. Together with the initial Northlake, Texas facility, which is scheduled to be commissioned in mid-2028, the proposed expansion is expected to increase the production of NdFeB magnets and powder from 1,526 tonnes in 2028 to 6,000 tonnes by 2034. The PFS outlines a strategy that incorporates new production facilities in South Carolina, Nevada and a second location in Texas. Each of these facilities would process feedstock, operate Hydrogen Processing of Magnetic Scrap (HPMS) and produce unfinished sintered NdFeB blocks. These unfinished sintered blocks would then be shipped to the central Texas hub, where they would be finished. The finishing steps include: machining, plating, epoxy coating, quality assurance and product qualification.

In addition to increasing the volume of magnets produced, the proposed expansion strategy also offers some additional benefits. Specifically:

- The PFS incorporates a flexible manufacturing environment that allows for the use of both recycled NdFeB materials as well as primary feedstock. While the initial Northlake facility is expected to use recycled feedstock, this flexible sourcing model is expected to allow for additional supply chain resilience and allow the company to respond to prevailing market conditions. HyProMag USA believes that potential future access to primary feedstock may be facilitated through its shareholder Mkango Magnetic Materials Limited (Mkango);

- Optimization of the manufacturing configuration so as to produce higher performance magnet products. It is anticipated that the use of the Grain Boundary Diffusion technology (GBD technology), will allow for the production of higher grade magnets, which, in turn, can be used for applications across medical, robotics, energy infrastructure and advanced manufacturing markets.

- The proposed plants are designed to recover and reprocess manufacturing residues, including magnet machining end cuts, which will optimize the use of rare earth materials.

The initial economic evaluation appears supportive. The AISC for the proposed expanded facilities is US$41.60/kg – which is higher than the US$22.30/kg we are modelling for the Northlake facility, however this mainly reflects the cost associated with purchasing additional primary feedstock and additional magnet finishing capabilities. Using the forecast 2030 weighted average selling price of US$100.50/kg, and a cap-x estimate of US$656mm, we derive a project NPV_7 of US$1.48 billion and a project IRR of approximately 21%. This equates to a value of approximately $9.25/sh for CoTec's 60.3% interest. As a reminder, we estimate the NPV_7 for the Northlake facility (100%) to be US$333.7mm with an IRR of 20.2%.

Despite the attractive project economics, a pathway to commercial production that has the initial Northlake facility coming on-line in 2028 and the US government's stated commitment to significantly reducing or eliminating its reliance on China for both rare earths and rare earth magnets, investors appear reluctant to buy into the HyProMag USA value proposition. As previously mentioned, we estimate the stock is trading at 0.19x NAV of $4.75/sh.

Current stock price comfortably supported by MagIron and Lac Jeannine

The unique and novel nature of producing magnets from recycled rare earth materials likely means that investors are waiting for validation of the business strategy. We estimate that at current levels investors can buy CoTec and acquire its interest in HyProMag USA for free. In addition, we believe the current stock price is supported by the value of MagIron and Lac Jeannine. In fact, on the basis of the value that we attribute to Lac Jeannine and MagIron only, we estimate that CoTec is trading at 0.36x NAV.

MagIron and Lac Jeannine are both iron ore tailings reclamation projects. There are a number of iron ore tailings projects operational globally. While the flow sheet and the technology being used may vary by project, there is an understanding of how these projects can be managed in an economically viable manner. For example, Vale SA, one of the largest iron ore producers globally, has stated that in 2025, 26.3mm tonnes of iron ore was produced from recycled sources, which represented a 107% YOY increase. The Company has indicated that by 2030, up to 10% of its total iron ore production could be derived from waste reprocessing.

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CoTec owns 16.6% of MagIron - a brown-field iron ore operation located in Minnesota, USA. The company was created to assume ownership of the Magnetation LLC assets, which declared bankruptcy in 2016. A Feasibility Study has been completed that supports the resumption of operations to produce DR grade iron ore pellets. Specifically, the project consists of:

- Plant 4 – a modern, past producing iron ore concentrator. The facility has operated at a run-rate of 2.0mm tonnes per year, but was designed to run at 3.0mm tonnes per year.
- The Reynolds pellet plant is a past producing facility that has operated at 2.2mm tpa and is capable of being expanded to 3.0mm tpa.
- The current mineral reserves total 261.2mm tonnes averaging 28.66% Fe. Assuming average annual pellet production of approximately 2.7mm tonnes this equates to a 32-year mine life. Using a realized pellet price of US$164.13/tonne, production costs of US$92.42/tonne, and cap-x of US$435mm, we derive a project NPV_8 of US$940mm and a project IRR of 23.5%. On this basis, we estimate CoTec's 16.6% ownership interest to be US$156mm.
- MagIron has secured all the permits required to restart Plant 4
- MagIron is evaluating the potential to produce merchant pig iron. Specifically, management believes it has the ability to potentially supply half of the US' total merchant pig iron requirements. The Company is in the process of conducting a detailed economic analysis of the pig iron opportunity. It is possible that pig iron represents a more attractive economic opportunity relative to DR pellets, but until a detailed financial analysis has been completed, we are valuing MagIron on the basis of the economics associated with DR pellets.

CoTec also owns 100% of the Lac Jeannine iron ore tailings project - a conventional processing, low cap-x project located in Northeast Quebec, close to the Labrador – Newfoundland border. The project covers 1,649 hectares and from 1961 – 1976 was mined by Quebec Cartier Mining, which extracted 265.9mm tonnes of ore at 33% Fe. Specifically, the project PEA outlines:

- A 101mm tonne iron ore resource grading 6.8% Fe, which is capable of supporting a 15-year mine life at an average annual production of 360kt. Assuming an iron price of US$121/tonne (67% Fe iron concentrate), a cash cost of production of US$46.80/tonne and total project cap-x of US$70mm, we generate a project NPV_7 of US$82.1mm and a project IRR of 21.4%.
- As additional 28 million tonnes of exploration material are present outside of the drilled area, it is possible that the mineral resource could further increase, which in turn, should positively impact the project economics.
- The potential exists for the Project to qualify for critical mineral status with both the Federal and Provincial governments.
- A Feasibility Study for the Project is currently underway.

Valuation

As illustrated in Exhibit 1, we estimate the Cotec NAV to be $4.75/sh. The HyProMag USA carrying value is derived from a DCF using a 7% discount rate and only includes the initial Northlake Texas facility. We have not included the expanded HyProMag facility in our valuation, given its early stage nature but would note that it appears to have the potential to add an incremental $9.25/sh to our NAV. The Lac Jeannine carrying value is derived from a DCF that incorporates the data from the PEA while the MagIron value is a DCF based on the findings in the Feasibility Study.

Relative to our carrying values, we believe CoTec offers significant upside potential. For this reason, our NAV is also our target price. As such, we continue to rate CoTec as a BUY.

Exhibit 1 – Cotec Net Asset Value

CoTec Holdings Corp. Net Asset Value			
Asset	Ownership	Value (C$mm)	
HyProMag USA - Northlake	60.3%	$279.48	Base Case DCF Value
Lac Jeannine	100.0%	$114.07	Base Case DCF Value
Mag Iron	16.6%	$216.77	Base Case DCF Value
Maginito Limited	20.6%	$12.10	Book Value
Other Assets	3.0%	$8.00	Book Value
Less: Net Debt		$2.60	Book Value
Net Asset Value		$627.82	
NAVPS (Basic)		$5.20	
NAVPS (F.D.)		$4.75	
Shares O/S (Basic)		120,975,444	
Shares O/S (F.D.)		134,274,543	

Source: ICG estimates/Company reports

Risks

Financing Risk – HyProMag USA, Lac Jeannine and MagIron will need to secure financing in order to reach their commercial potential. We believe the project economics along with the potential for government financing bode well for the outlook, but the inability to secure financing could negatively impact the Project values.

Political Risk – HyProMag USA and MagIron stand to benefit from the Trump Administration's current focus on reducing its dependence on foreign suppliers. In the event this focus were to change, it could impact the valuation and outlook for these projects.

Execution Risk – CoTec is advancing a number of development projects. We have assumed that these initiatives enter into commercial production consistent with the budget and timeline put forward by management. In the event this does not happen, it could negatively impact our Cotec valuation.

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