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Following Completion Of Expansion Concept Studies Hypromag Usa Advances Expansion To Three States Supporting A Path To Triple U.S. Rare Earth Magnet Capacity By 2029

- ***Completed concept studies for expansion of South Carolina and Nevada hubs, increasing total HyProMag USA magnet and alloy production from 1,552 metric tons NdFeB to 4,656 metric tons NdFeB per annum, supporting scalable U.S. manufacturing strategy and reinforcing momentum towards a planned U.S. public listing***
- ***Greater than $2 billion post-tax NPV and 38.7% real IRR for expanded developments, based on forecast market prices[i], support commencement of pre-feasibility studies for the expansions***

London / Vancouver: 12 January 2026 - Mkango Resources Ltd (AIM / TSX-V:MKA) (the "Company" or "Mkango") is pleased to announce an update from HyProMag USA, LLC ("HyProMag USA") on the completion of expansion concept studies (the "Expansion Concept Study") and the commencement of pre-feasibility studies for HyProMag USA's Plants located in South Carolina and Nevada, marking a significant step toward tripling its domestic manufacturing capacity by 2029. The studies support HyProMag USA's strategy to build a scalable platform across the U.S. for recycled neodymium-iron-boron (NdFeB) magnets and reinforce the Company's intention to pursue a U.S. public listing.

The basis of the expansion studies is the recently completed Class 2 AACE[ii] capital cost estimate as part of the Detailed Engineering Design and Value Engineering Phase (the "Detailed Design") of the Company's first facility to be located at the Ironhead Commerce Center, Dallas-Fort Worth, Denton County, Texas (the "Texas Hub" or the "Project").[iii]

The Texas Hub 2025 Detailed Design base case was based on operating three Hydrogen Processing of Magnet Scrap ("HPMS") vessels, with a post-tax Net Present Value ("NPV") applying a 7% discount rate of $409 million based on current market prices, and a post-tax NPV of $780 million based on forecast prices.

The pre-feasibility studies for each of the South Carolina and Nevada hubs will focus on site selection, saleable products and Project configuration, optimal site layout, permitting, logistics, and technical marketing.

Key Highlights of the Expansion Concept Study

- **Expansion targets increase magnet and NdFeB Alloy Powder Production capacity by 3x** from 1,552 metric tons NdFeB to 4,656 metric tons NdFeB by 2029 across three hubs, in Texas, South Carolina, and Nevada.

- **Concept Study focused on the development of modular production systems** and evaluated three investment scenarios based on the following modular configurations:
    - Case 1 – NdFeB Alloy Powder Production (HPMS[iv] only) – (Module 1)
    - Case 2 – NdFeB Alloy Powder Production + Sintered Block Production (Modules 1 & 2)
    - Case 3 – Fully Integrated Production: NdFeB Alloy Powder Production + Sintered Block + Magnet Finishing and Packaging (Modules 1, 2 and 3)
- **Each site was envisioned as a brownfield development** with no space or utility constraints, enabling optimized layouts and flexible future expansions
- **The studies included conceptual building layouts**, building options, environmental and permitting Roadmaps, Capital Cost Estimate (Class 4 AACE), and the basis of estimate
- **Project schedule assumes the commissioning of three Plants between 2027 and 2029** and does not include an expansion of the Texas Hub
- **Conceptual valuation:** Concept study results for rare earth magnet recycling and manufacturing operations in the United States with a Texas Hub supported by two additional hubs (Case 3) co-located with Intelligent Lifecycle Solution ("ILS") sites in South Carolina and Nevada[v]:
    - $1,143 million post-tax NPV[vi] and 27.6% real internal rate of return (IRR) based on current market prices[vii,viii]
    - $2,180 million post-tax NPV and 38.7% real IRR based on forecast market prices[ix]
- **Increased magnet production capacity:** 2,823 metric tons per annum of recycled sintered neodymium-iron-boron ("NdFeB") magnets and 1,833 metric tons per annum of associated NdFeB co-products (total payable capacity – 4,656 metric tons NdFeB) over a 40-year operating life from 2029.
- **Pre-feasibility study magnet optimization** expected to increase higher value sintered block production
- **Industrial and workforce impact:** The Plants are expected to support revitalization of the U.S. magnet sector and create circa 300 skilled magnet manufacturing jobs
- **Feedstock security:** Plants in South Carolina and Nevada are co-located with ILS[x] facilities, expansions would be conditional on securing adequate feedstock and offtake
- **Carbon profile:** Independent ISO-compliant study for the Texas Hub 2024 feasibility study confirmed a very low-carbon footprint of 2.35 kg CO_2-eq per kg of NdFeB sintered block product [xi]
- **Scoping Studies:** led by PegasusTSI Inc. (U.S.) and BBA USA Inc. (Canada), with support from HyProMag's international teams and the University of Birmingham

Building Momentum Toward U.S. Commercial Scale

The Expansion Concept Study build on a series of recent milestones for HyProMag USA, including detailed engineering and feasibility work on the Texas Hub, execution of the site lease[xii] at the Ironhead Commerce Center, and the Company's intention to pursue a U.S. public listing. Together these developments reflect accelerating momentum as HyProMag USA advances toward commercial operations and a scaled, manufacturing footprint across the U.S.

In parallel, HyProMag USA is engaging with large technology and infrastructure operators to support the growing need for secure, domestic recycling solutions for magnet-bearing equipment used in hyperscale data centers and AI infrastructure. The Company's modular, low carbon, magnet-to-magnet recycling platform is designed to support end-of-life recovery of rare earth materials from servers, storage systems, and related equipment, positioning HyProMag USA as a preferred long-term recycling and manufacturing partner for hyperscale customers as capacity expands in the United States.

Julian Treger, CoTec CEO commented: "*The Expansion Concept Study demonstrates that HyProMag USA's Texas Hub is not a one-off project, but the foundation of a scalable U.S. manufacturing platform. The modular design allows us to replicate capacity efficiently, optimize products for U.S. customers, and accelerate domestic supply chain resilience. With the commissioning of HyProMag plants in the United Kingdom and Germany, along with*

recent progress on the Texas Hub, materially strengthens HyProMag USA's readiness for the next phase of growth and capital markets engagement."

Will Dawes, Mkango CEO commented: "*HyProMag USA continues to develop a strong platform for further growth in the United States, and the recently completed Expansion Concept Study further validates the Company's business model and strategic positioning. In parallel with commissioning of the plants in UK and Germany, HyProMag USA is progressing rapidly towards first production in 2027, making a significant contribution to development of robust rare earth supply chains globally."*

About HyProMag USA

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 the revolutionary HPMS technology, developed over 15 years by the Magnetic Materials Group at the University of Birmingham 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. HPMS accepts a wide range of magnet-bearing feedstocks – including end-of-life EV motors, data-center, and industrial equipment, consumer electronics, and manufacturing scrap – enabling recovery of magnet-grade material without chemical processing. Selected by the U.S. Department of State as a Minerals Security Partnership project, HyProMag USA is targeting 10% of U.S. domestic magnet supply within five years, ensuring supply chain security and resilience for technologies critical to national defense and economic competitiveness.

Ownership

HyProMag USA LLC is owned 50:50 by CoTec and HyProMag Limited. HyProMag Limited is 100 per cent owned by Maginito Limited which is owned on a 79.4/20.6 per cent basis by Mkango Resources Ltd. (AIM/TSX-V: MKA) and CoTec.

About Mkango Resources Ltd.

Mkango is listed on the AIM and the TSX-V. Mkango's corporate strategy is to become a market leader in the production of recycled rare earth magnets, alloys and oxides, through its interest in Maginito, which is owned 79.4 per cent by Mkango and 20.6 per cent by CoTec, and to develop new sustainable sources of neodymium, praseodymium, dysprosium and terbium to supply accelerating demand from electric vehicles, wind turbines and other clean energy technologies.

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

Maginito and CoTec are also rolling out HPMS recycling technology into the United States via the 50/50 owned HyProMag USA LLC joint venture company.

Mkango also owns the advanced stage Songwe Hill rare earths project in Malawi ("Songwe") and the Pulawy rare earths separation project in Poland ("Pulawy"). Both the Songwe and Pulawy projects have been selected as Strategic Projects under the European Union Critical Raw Materials Act. Mkango has signed a Business Combination Agreement with Crown PropTech Acquisitions to list the Songwe Hill and Pulawy rare earths projects on NASDAQ via a SPAC Merger under the name Mkango Rare Earths Limited.

For more information, please visit www.mkango.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. Generally, forward looking statements can be identified by the use of words such as "targeted", "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, and the various recycling plants in the UK, Germany and the US as well as the separation plant in Poland, 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 various recycling plants in the UK, Germany and the US as well as the separation plant in Poland, 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 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 various recycling and separation plants of Mkango and Maginito and future investments in the United States pursuant to the 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 disclaims 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 undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

The TSX Venture Exchange has neither approved nor disapproved the contents of this press release. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any equity or other securities of the Company in the United States. The securities of the Company will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States

to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

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[i] Forecast market prices ("Forecast Prices") are the prices for all NdFeB products sold in the U.S, excluding residual scrap feed, with the rare earth price component thereof derived from the latest rare earth oxide price forecasts from Q4 (2025) Adamas Intelligence, over the life of the asset

[ii] Association for the Advancement of Cost Engineering (AACE) – Class 2 Estimate

[iii] https://hypromagusa.com/hypromag-usa-provides-positive-update-to-valuation-of-expanded-dallas-fort-worth-plant-and-commences-strategic-review-to-explore-a-u-s-listing/

[iv] Patented Hydrogen Processing of Magnet Scrap (HPMS) technology developed at University of Birmingham, which liberates NdFeB magnets from end-of-life scrap streams in a cost effective and energy efficient way

[v] https://hypromagusa.com/hypromag-usa-expands-feedstock-supply-agreementwith-global-electronics-recycler-intelligent-lifecycle-solutions/

[vi] 7% real discount rates. NPVs are calculated by discounting real US dollar cash flows from 2026

[vii] Current market prices ("Current Prices") for all NdFeB products sold in the U.S, excluding residual scrap, derived from updated U.S. 2024 price quotes, over the life of the asset

[viii] NPV does not include the economic benefit of any government or state incentives, carbon pricing

[ix] Forecast market prices ("Forecast Prices") are the prices for all NdFeB products sold in the U.S, excluding residual scrap feed, with the rare earth price component thereof derived from the latest rare earth oxide price forecasts from Q4 (2025) Adamas Intelligence, over the life of the asset

[x] https://hypromagusa.com/hypromag-usa-expands-feedstock-supply-agreementwith-global-electronics-recycler-intelligent-lifecycle-solutions/

[xi] https://cotec.ca/news/hypromag-usas-iso-compliant-product-carbon-footprint-study-confirms-exceptionally-low-co2-footprint-of-235-kg-co2-eq-per-kg-of-ndfeb-cut-sintered-block

[xii] https://hypromagusa.com/hypromag-usa-finalizes-long-term-lease-for-dallas-fort-worth-rare-earth-magnet-recycling-and-manufacturing-hub/