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HYPROMAG USA TO ESTABLISH EARLY MAGNET FINISHING CAPABILITY AS PART OF PHASED TEXAS HUB DEVELOPMENT

Commissioning of finished magnet production equipment targeted for H1-2027, ahead of fully integrated U.S. operations in Q2 2028

London / Vancouver: July 27 2026 - Mkango Resources Ltd (AIM/TSX-V: MKA) ("Mkango") is pleased to announce that HyProMag USA, LLC ("HyProMag USA" or the "Company"), has provided an update regarding a phased development strategy for its Ironhead facility in Dallas-Fort Worth, Texas (the "Texas Hub"), including fast-tracking of magnet finishing equipment commissioning and initial production.

Accelerated magnet finishing and initial sales
Under the phased plan, HyProMag USA is now targeting commissioning of its initial finished neodymium-iron-boron ("NdFeB") magnet production equipment in Texas in H1, 2027. These initial U.S. operations will utilise up to 20 tonnes of magnet blocks supplied by HyProMag Group operations in the United Kingdom[1] and Germany[2] to be shaped and finished at HyProMag USA's operations for U.S. customers. The supply of finished magnet products to European customers from HyProMag operations in UK and Germany will not be affected by these arrangements.

Commitment to early works capital supports commissioning of the integrated Texas Hub's Hydrogen Processing of Magnet Scrap ("HPMS") section now targeted for Q2 2028. At that stage, HyProMag USA expects to begin integrating U.S.-sourced magnet-bearing feedstock into its domestic recycling and magnet manufacturing operations.

Establishing this capability early also allows HyProMag USA to work directly with U.S. customers on product specifications and advance qualification programmes, in parallel with the development of the broader integrated Texas Hub. The initial finishing line will allow HyProMag USA to convert magnet blocks into customer-ready magnets produced to specific dimensions, tolerances, coatings and performance requirements.

Julian Treger, Chief Executive Officer of CoTec Holdings Corp., commented: *"HyProMag's core advantage remains our ability to recover rare earth magnets already contained in waste and return them to productive use*

[1] https://hypromagusa.com/uk-minister-for-industry-officially-opens-rare-earth-magnet-recycling-and-manufacturing-facility-at-tyseley-energy-park-birmingham/
[2] https://hypromagusa.com/german-federal-ministry-for-economic-affairs-and-energy-officially-opens/

through a faster, simpler and more efficient short-loop recycling process. Establishing finishing capability in Texas ahead of the integrated plant is a complementary step that will allow us to begin producing customer-ready magnets in the United States and work directly with customers on specifications and qualification."

"Magnet finishing is a critical and highly technical part of the value chain, with relatively limited commercial-scale capacity available in the United States. Developing this capability early will allow HyProMag USA to derisk downstream magnet making and build customer relationships. HyProMag USA is developing the full domestic platform for extracting magnets from waste, manufacturing recycled NdFeB products and delivering finished magnets tailored to our customer requirements."

Will Dawes, Chief Executive of Mkango Resources, commented: "*Following this development, HyProMag will be uniquely positioned to supply finished magnets to customers in the UK, Germany, USA and other markets. This gives us the flexibility to supply different products in a variety of markets and de-risks our route to market, whilst leveraging off the technical capabilities of the HyProMag group with the ongoing support of the University of Birmingham and University of Pforzheim. We look forward to supporting the accelerated development of HyProMag USA in parallel with HyProMag' s operations in UK and Germany."*

Phased Commissioning and Ramp-Up

Following targeted commissioning of cutting and finishing operations in H1 2027, commissioning of the HPMS section and integrated magnet manufacturing is targeted for Q2 2028, with initial annual production capacity of approximately 400 metric tonnes of recycled sintered NdFeB magnets and approximately 278 metric tonnes of NdFeB co-products, representing total payable capacity of approximately 678 metric tonnes of NdFeB material, with staged ramp-up thereafter.

Additional equipment is expected to be installed as it is received, supporting a staged ramp-up to the Texas Hub's previously announced full targeted annual capacity of approximately 1,526 metric tonnes of magnetic products.

As announced on June 22, 2026, HyProMag USA has commenced procurement of long-lead equipment and continues to advance detailed engineering, feedstock aggregation, customer offtake and project financing discussions.[3]

Building Toward Integrated U.S. Waste-to-Magnet Production

The phased development strategy is intended to establish downstream finishing capability and customer relationships ahead of commissioning the Texas Hub's HPMS operations. Once the HPMS section is operational, HyProMag USA expects to integrate U.S.-sourced magnet-bearing feedstock into a domestic platform spanning magnet recovery, recycling, manufacturing and finishing, enabling the Company's core objective of returning rare earth magnets already circulating in the economy to productive use as customer-ready products.

Key Highlights

- **Initial strategic focus on downstream magnet finishing:** Through the installation of finishing equipment in the Texas Hub, the Company is developing expertise in downstream magnet making, which it believes will be a valuable complement to the proprietary HPMS process and a key strategic differentiator.

- **Commissioning of finished magnet equipment now targeted for H1 2027 in partnership with the HyProMag Group:** Initial USA production will be underpinned by NdFeB blocks supplied from the HyProMag Group (UK and Germany). This will allow the Company to provide magnets to U.S. off-takers in advance of the Texas Hub start-up of integrated HPMS to magnet operations.

[3] https://hypromagusa.com/hypromag-usa-advances-texas-hub-and-u-s-magnet-platform/

- **Equipment ordered and staged ramp-up:** The Company has ordered several of the long-lead equipment items for the Texas Hub, including the HPMS vessels and magnet finishing equipment specified to U.S. market requirements based on feedback from potential customers. The Company will stage its early works equipment purchases to mitigate equipment supply risk and provide for a measured production ramp-up. Commissioning of the HPMS section of the Texas Hub is targeted for Q2 2028, with a staged ramp-up thereafter.

- **Customer Engagement:** First sample magnets have been supplied to potential customers in the United States and the Company is working with HyProMag operations in UK and Germany on increasing the supply of sample magnets responding to customer demand. HyProMag USA is engaging with multiple customers across North America, spanning both smaller customers and OEM's.

- **Feedstock supply:** HyProMag USA is making good progress in establishing strong relationships across a range of feedstock sources and several supply opportunities are being pursued, with tests for quality and recoverability of magnets imminent on some of the feedstock. Feedstock discussions have extended beyond hard disk drives into rotors, MRI machines and actuators, and discussions with several large recyclers are underway. HPMS provides a unique, energy efficient and cost-effective solution for recovering magnets from rotors and other assemblies with embedded magnets, which remains a major competitive advantage for the group.

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, which are critical components in AI infrastructure, robotics, electric vehicles, wind turbines and advanced electronics. Leveraging the revolutionary HPMS technology developed over 15 years with over US$100 million in R&D investment, HyProMag 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 direct recovery of magnet-grade material without conventional chemical processing. HyProMag is focused on ensuring supply chain security and resilience for critical technologies and economic competitiveness.

Detailed Design and Project Economics
The Texas Hub Class 2 AACE Capital Cost Estimate and Study (the "Detailed Design") is being carried out by a multidisciplinary team appointed by CoTec and Mkango and led by independent engineering firms PegasusTSI and BBA. The study, which is approximately 38% complete, includes optimization of the operation as well as an updated capital cost profile. PegasusTSI and BBA have completed a 3D Plant model based on the Class 2 estimate prepared in Q4 2025 (https://www.youtube.com/watch?v=xNmJF3Hh1Mk).

Potential Future U.S. Listing
In December 2025, HyProMag USA's owners, CoTec Holdings Corp. (TSXV: CTH; OTCQX: CTHCF) ("CoTec") and Mkango Resources Ltd. (AIM/TSX-V: MKA) ("Mkango"), announced that they were exploring a potential U.S. listing for HyProMag USA.[4] Since then, the Company has begun engaging prospective advisors and investment banks as part of an ongoing evaluation.

Ownership

[4] 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

HyProMag USA LLC is owned 50:50 by CoTec Holdings Corp. (TSXV: CTH; OTCQX: CTHCF) ("CoTec") and HyProMag Limited. HyProMag Limited is 100% owned by Maginito Limited, which is owned 79.4% by Mkango Resources Ltd. (AIM/TSX-V: MKA) and 20.6% by CoTec.

For more information, please visit www.hypromagusa.com

About Mkango Resources Ltd.

Mkango is listed on the AIM and the TSX-V Stock Exchanges. 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 Limited, 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 Limited 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 expanding HPMS recycling technology into the United States via the 50/50 owned HyProMag USA joint venture company.

Mkango currently owns 100% of the advanced stage Songwe Hill rare earths project in Malawi and the proposed Puławy rare earths separation plant in Poland. Both the Songwe and Puławy projects have been selected as Strategic Projects under the European Union Critical Raw Materials Act. Songwe has also received Development Funding from the U.S. International Development Finance Corporation (DFC), the U.S. Government's development finance institution, securing US$4.6 million in reimbursable funding for Front End Engineering and Design. Mkango signed a Business Combination Agreement with Crown PropTech Acquisitions to list the Songwe Hill and Puławy rare earths projects on NASDAQ via a SPAC merger under the name Mkango Rare Earths Limited (the "Proposed Business Combination").

For more information, please visit www.mkango.ca.

Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by Mkango 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 the Company. 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.

Forward-looking statements in this news release include, without limitation, statements regarding the Company, Mkango, and its investments which are not historical facts are "forward-looking statements" which involve risks and uncertainties, including statements relating to the phased development strategy for the Texas Hub, the targeted timing of commissioning, start-up and ramp-up, the expected delivery of finishing and other equipment and the targeted timing of first production and supply of finished magnets to U.S. customers, the planned staging of equipment purchases and deliveries, the supply of magnet blocks to the Company from HyProMag Group operations in the United Kingdom and Germany and the arrangements relating to that supply, the expectation that the supply of finished magnet products to European customers will not be affected, the Company's downstream magnet finishing strategy and the expected benefits of establishing that capability in advance of integrated operations, feedstock testing and potential supply arrangements, potential offtake arrangements, customer engagement and the supply of sample magnets, targeted production capacity and staged ramp-up, including targeted initial annual capacity of approximately 400 metric tonnes of recycled sintered NdFeB magnets and approximately 278 metric tonnes of NdFeB co-products, representing approximately 678 metric tonnes of total payable NdFeB material, and full targeted annual capacity of approximately 1,526 metric tonnes of magnetic products, the availability of project financing on acceptable terms, customer qualification programmes, the advancement of detailed engineering, the Texas Hub Class 2 AACE capital cost estimate and detailed design study and its outcomes, the potential future U.S. listing of HyProMag USA and the engagement of prospective advisors in connection with it, the expected integration of U.S.-sourced magnet-bearing feedstock into domestic recycling, manufacturing and finishing operations, the anticipated attributes, performance and benefits of the HPMS technology, including its energy consumption and carbon emissions relative to conventional methods, and the benefits to the Company which may be implied from such statements. Forward-looking statements can generally be identified by the use of words such as 'targets', 'expects', 'anticipates', 'plans', 'intends', 'believes', 'estimates', 'budgets', 'scheduled', 'targeted', 'may', 'will', 'would', 'could' or 'should', or the negative of these terms and similar expressions. The forward-looking information in this news release is based on certain material factors and assumptions, including: that magnet finishing and other equipment is delivered, installed, commissioned and ramped up substantially on the timelines currently anticipated and that long-lead items are received in accordance with the Company's staged procurement plan; that magnet blocks continue to be available in the required quantities and to specification from HyProMag Group operations in the United Kingdom and Germany, that those operations continue to perform substantially as anticipated, and that the arrangements required for that supply are entered into on acceptable terms; that the Company is able to cut, shape, finish and coat magnet blocks to customer specifications, tolerances and performance requirements; that suitable magnet-bearing feedstock can be aggregated on acceptable terms and meets required quality and recoverability parameters; that customer qualification programmes and offtake arrangements progress as anticipated; that targeted production capacities and ramp-up rates are achieved; that the detailed design study is completed and confirms the anticipated project economics and capital cost profile; that any potential U.S. listing proceeds only if and when the owners determine to pursue it; that required project financing is obtained on acceptable terms; that applicable permits and regulatory approvals are obtained and maintained; that there are no material adverse changes in export controls, trade measures, tariffs or the availability of critical equipment, technology or inputs; and that there are no material adverse changes in general economic, market or geopolitical conditions. Although the Company considers these factors and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and actual results may differ materially from those anticipated.

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: delays in, or failure to complete, the delivery, installation, commissioning, start-up or ramp-up of equipment and operations, including as a result of long lead times or supply constraints; the imposition or tightening of export controls, trade restrictions, tariffs or other measures affecting the availability or cost of critical equipment, technology or rare earth inputs; the availability, quantity, quality and cost of magnet blocks supplied from HyProMag Group operations in the United Kingdom and Germany, the continued operation and performance of those facilities, and the risk that the arrangements for that supply are not concluded on acceptable terms or at all; the availability, quality and recoverability of magnet-bearing feedstock and the Company's ability to secure feedstock on acceptable terms; the outcome of customer qualification programmes and the Company's ability to secure and maintain offtake arrangements; the risk that actual production capacity, product quality or ramp-up rates differ materially from those targeted; the risk that the anticipated benefits of establishing magnet finishing capability in advance of integrated operations are not realised; the risk that the detailed design study is not completed as anticipated or does not support the expected project economics or capital cost profile; the risk that any potential U.S. listing does not proceed, or is not completed on the anticipated terms or timing; risks relating to the development, protection and performance of the HPMS technology and the continued availability of technical support from third parties; competition from other magnet producers and recyclers and changes in demand or prices for NdFeB magnets and rare earth materials; the availability of project financing on acceptable terms; permitting and other regulatory risks; environmental risks and costs; increases in energy, labour, materials and construction costs; contractor and subcontractor performance; the ability to attract and retain qualified personnel; project delays and cost overruns; and general economic, market, transport and geopolitical disruptions.

Forward-looking statements in this news release also include, without limitation, statements under "About Mkango Resources Ltd." concerning the Proposed Business Combination, the development of Songwe Hill and Puławy, the expansion of rare earth magnet recycling operations in the United Kingdom, Germany and the United States, the Development Funding awarded by the DFC, and the status of Songwe Hill and Puławy as Strategic Projects under the European Union Critical Raw Materials Act.

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.

In relation to the Proposed Business Combination, such factors and risks include, without limitation: the ability of the parties to complete the Proposed Business Combination on the terms currently contemplated, within the timeframe contemplated, or at all; the satisfaction or waiver of the conditions precedent to closing, including the receipt of required shareholder, regulatory, stock exchange, court and other third party approvals; the effectiveness of any registration statement filed with the United States Securities and Exchange Commission in connection with the Proposed Business Combination; the approval for listing of the securities of Mkango Rare Earths Limited on NASDAQ; the level of redemptions by shareholders of Crown PropTech Acquisitions and the amount of cash available to the combined company on closing; the ability to obtain any additional financing required in connection with the Proposed Business Combination; the outside date under the Business Combination Agreement and the ability to obtain any extension thereof; the exercise of any termination rights under the Business Combination Agreement; the costs, expenses and diversion of management attention associated with the Proposed Business Combination; any litigation, regulatory proceedings or shareholder actions arising in connection with the Proposed Business Combination; the consequences of the Proposed Business Combination for Mkango's interests in Songwe Hill and Puławy and for Mkango's status on AIM and the TSX Venture Exchange, including the application of Rule 14 of the AIM Rules for Companies; and the anticipated benefits of the Proposed Business Combination not being realised in whole or in part.

Other factors and risks include, without limiting the foregoing: the availability of (or delays in obtaining) financing to develop Songwe Hill and the recycling plants being developed by Maginito in the United Kingdom, Germany and the United States; the drawdown and continued availability of the reimbursable Development Funding awarded by the U.S. International Development Finance Corporation, including the satisfaction of applicable conditions and changes in United States government policy or funding priorities; the retention of Strategic Project status for Songwe Hill and Puławy under the European Union Critical Raw Materials Act and the realisation of the anticipated benefits of that status; the conversion of Maginito's convertible loan in HyProMag GmbH and the resulting ownership interest; governmental action and other market effects on global demand and pricing for the metals and associated downstream products which Mkango is exploring for, researching and developing; geological, technical and regulatory matters relating to the development of Songwe Hill and Puławy; political, fiscal, legal, permitting, taxation, currency and other risks associated with operating in Malawi, Poland, Germany, the United Kingdom and the United States; 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; the 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 Maginito recycling plants and Puławy; future investments in the United States pursuant to the HyProMag USA joint venture between Maginito and CoTec; cost overruns; complexities in building and operating the plants; and the results of feasibility studies on the various proposed aspects of Mkango's and Maginito's activities being less favourable than anticipated.

The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by applicable law, Mkango disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, Mkango undertakes 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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