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KAP Minerals and Hanwa Forge Strategic Partnership to Strengthen Canada– Japan Critical Minerals Supply Chain

The Agreement Positions Northern Ontario Project as Key Allied Offtake Source of Phosphate and Rare Earth Materials for Defense, Battery, Automotive and Advanced Manufacturing Industries

Kapuskasing, Ontario / Tokyo, Japan — May 12, 2026 — KAP Minerals Inc. (“KAP”), a Canadian critical minerals company and **Hanwa Co., Ltd.** (“Hanwa”), one of Japan’s leading global trading and industrial materials companies, today announced the signing of a Memorandum of Understanding (MOU) to advance a strategic partnership focused on offtake supply and the development of downstream critical minerals supply chains between Canada and Japan.

The agreement establishes a framework for negotiating long-term offtake and commercial collaboration. In the first phase, Hanwa would purchase and distribute phosphate and rare earth element (REE) concentrate production from KAP’s Northern Ontario project. In the second phase, the companies will collaborate to establish processing capacity in Ontario, including the production and distribution of purified phosphoric acid (PPA) and the additional supply of phosphate and rare earth concentrates.

The collaboration aims to support the rapidly growing demand for materials essential for defense, lithium-ion batteries, robotics, advanced electronics, and aerospace manufacturing, sectors where supply chains are currently heavily concentrated in a few jurisdictions.

The partnership also reflects the deepening strategic cooperation between Canada and Japan on critical minerals security, an issue central to the industrial policies of G7 economies amid rising geopolitical competition and supply chain vulnerabilities.

The KAP project is designed to redevelop the historic Agrium phosphate mine and tailings complex near Kapuskasing, ON into a multi-product critical minerals platform. The project will initially produce 70,000-100,000 tonnes per year of phosphate product, followed by approximately 450,000 tonnes per year of high-grade phosphate concentrate alongside rare earth concentrates and other critical minerals used in defense and advanced manufacturing supply chains.

Through the agreement, Hanwa will leverage its extensive global distribution network and long-standing relationships with battery manufacturers, automotive companies, magnet producers, and advanced materials firms across the world to develop downstream supply chains for the project’s products.

The companies will also explore collaboration on the establishment of midstream processing in Ontario, including technical cooperation in Phase 2 of the project, and engage with Japanese and Canadian government institutions and private sector entities.

“This partnership with Hanwa represents a major step forward in establishing the Kapuskasing project as a cornerstone of the Canada–Japan critical minerals relationship,” said Geoff Hampson, Chief Executive

Officer of KAP Minerals. “Japan is a global leader in advanced manufacturing and battery technology, and Hanwa brings a deep network of industrial relationships across the world. Together we are building a supply chain that connects Northern Ontario’s resources with the industries shaping the future of energy, defense, mobility, and advanced technology.”

“Hanwa is committed to developing reliable and sustainable supply chains for critical materials essential to the global energy transition and advanced manufacturing,” said Mr. Shoji Shirasawa, Managing Executive Officer, Hanwa Co., Ltd. “Our partnership with KAP Minerals creates an opportunity to connect Japan’s industrial demand with a secure, allied source of phosphate and rare earth materials from Canada. We look forward to working closely with KAP and building our downstream consortium together for a resilient supply chain that benefits both countries.”

George Pirie, Ontario’s Minister of Northern Economic Development and Growth noted: “This agreement between KAP Minerals Inc. and Hanwa Co., Ltd. has the potential to help secure reliable access to phosphate and other critical minerals, while also reflecting a shared interest in advancing a modern processing facility in Kapuskasing that would support the community and create hundreds of good-paying jobs across the region. Our government is pleased to see Northern Ontario businesses growing and unlocking the economic potential of the North, accessing new markets, and building a more resilient and competitive Ontario economy.”

“Ontario and Japan are proving that trusted democratic allies can build secure supply chains together, without relying on hostile or unstable regimes,” said Stephen Lecce, Minister of Energy and Mines. “Northern Ontario will help power the next generation of batteries, defense technologies, and advanced manufacturing, creating good-paying jobs and new investment here at home. Our government will keep cutting red tape and accelerating responsible resource development so Ontario can become the world’s most trusted supplier of critical minerals.”

Located in Northern Ontario, the Kapuskasing project leverages an existing brownfield mining site with substantial infrastructure and a large stockpile of previously mined material, enabling accelerated timelines to production relative to conventional greenfield mining developments.

As global demand for critical minerals accelerates, the KAP–Hanwa collaboration highlights the growing importance of Canada–Japan industrial cooperation in securing the materials required for next-generation technologies, reinforcing shared commitments made by G7 partners to build diversified, reliable, and sustainable supply chains.

About KAP Minerals

KAP Minerals Inc. is a Canadian critical minerals company focused on redeveloping the historic Agrium phosphate mine in Northern Ontario into a multi-product processing platform producing phosphate, rare earth elements, scandium, titanium, and other strategic materials essential to agriculture, defense, energy storage, aerospace, and advanced manufacturing.

About Hanwa Co., Ltd.

Hanwa Co., Ltd. is a leading Japanese trading company engaged in the global marketing and distribution of metals, chemicals, and industrial materials. Through its Primary Metals division, Hanwa supplies critical inputs to the automotive, battery, electronics, and advanced manufacturing industries worldwide.