

VAC and Torngat Metals Announce Strategic Partnership to Strengthen Rare Earth Supply Chain

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Hanau/Berlin - VACUUMSCHMELZE (VAC), a global leader in the production of rare earth permanent magnets and Torngat Metals, a Quebec-based rare earths development company, have signed a non-binding Memorandum of Understanding (MOU) to pursue an offtake agreement for Torngat Metals to supply VAC with long-term security of fully traceable and responsibly produced separated rare earth oxides.

The MOU was signed in Berlin today by Yves Leduc, CEO of Torngat Metals, and Erik Eschen, CEO of VAC, in the presence of Germany's Minister for Economic Affairs and Energy Katherina Reiche and Canada's Minister of Energy and Natural Resources Tim Hodgson. This strategic move underscores Canada and Germany's bilateral collaboration in the area of critical minerals. Both countries are seeking to address the global heavy rare earths crisis while establishing a permanent magnet supply chain independent from China.

By joining forces with VAC, Torngat Metals is reinforcing its position as a reliable partner within the permanent magnet supply chain. Once in operation, the company's Strange Lake project will be uniquely positioned to ensure long-term supply security for the full suite of light and heavy rare earth oxides needed for permanent magnets.

"As the sole Western producer of sintered rare earth permanent magnets, VAC is at the forefront of securing a diverse and resilient supply chain for critical raw materials. The company is expanding our global capacities and moving upstream into strip casting and metal making, strengthening every stage of production. Ensuring reliable access to terbium (Tb) and dysprosium (Dy) – elements essential to high-performance magnets is the final step, and one that we are achieving through our strategic partnership with Torngat. This commitment is essential to reinforce VAC's strategic position and bolster the industrial base. In doing so also, we can enhance the national security of our allied nations by ensuring continuous availability of technology critical to our collective defense." said Erik Eschen, CEO of VAC.

"This MOU highlights our progress – not only in advancing project development, but also in forging the partnerships needed to build a resilient and diversified supply chain for rare earth permanent magnets," said Yves Leduc, CEO of Torngat Metals. "These critical minerals are central to advanced clean energy technologies, and we look forward to working with VAC to play a leading role in driving the transition."

"The partnership between Torngat Metals and VAC marks a significant step forward in Canada's efforts to build a secure and sustainable supply chain for rare earth elements. By advancing responsible development at Strange Lake and forging international collaboration with a global leader like VAC, Torngat is helping to position Canada as a key contributor to the permanent magnet supply chain, and an energy and critical mineral superpower. This agreement reflects our shared commitment with Germany to reduce reliance on single-source supply chains and strengthen the resilience of critical mineral access

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worldwide," said Tim Hodgson, Canada's Minister of Energy and Natural Resources.

About Vacuumschmelze

VACUUMSCHMELZE (VAC) is a leading global producer of advanced magnetic solutions, rare earth permanent magnets, and inductive components. With extensive application know-how and 100 years of experience in material science and product development, VAC designs and manufactures mission critical solutions for a wide variety of industries, including renewable energy, e-mobility, automotive, industrial automation, medical, aerospace. VAC's unique ability to develop and manufacture from base elements through final products enables us to provide customers optimal form factors and performance, generating best in class efficient solutions in an environmentally conscious manner. More information is available at www.vacuumschmelze.com.

VAC is a portfolio company of Ara Partners, a global private equity firm that is decarbonizing the industrial economy.

About Torngat Metals Ltd.

Torngat Metals is a private company based in Canada working to develop the Strange Lake Rare Earth Project to responsibly supply rare earth elements required for high-tech and low-carbon solutions. With development activities in Quebec, Newfoundland, and Labrador, the company aims to be a globally recognized supplier of light rare earths and a global leader in solving the heavy rare earth supply crisis for dysprosium and terbium. Leveraging robust partnerships with Indigenous peoples and local communities, new approaches to minimizing environmental impacts, and cutting-edge engineering, Torngat Metals looks forward to playing a pivotal role in the global transition to clean energy. Learn more at www.torngatmetals.com.

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