

阪和興業株式会社

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May 13, 2026
Hanwa Co., Ltd.

**Announcement of Memorandum of Understanding with KAP Minerals
for Offtake and Development of a Downstream Supply Chain**

Hanwa Co., Ltd. (“Hanwa”) hereby announces that it has entered into a memorandum of understanding with KAP Minerals Inc. (“KAP”), a Canadian producer of phosphate and rare earth concentrates, to establish a strategic cooperation for the marketing of its products and the development of intermediate and chemical processing facilities.

With an eye toward the rapidly accelerated demand growth in lithium-ion batteries for electric vehicles and energy storage systems due to the growing environmental awareness and ongoing energy transition globally, both ternary cathode materials and lithium iron phosphate (LFP) batteries have experienced rapid market growth in recent years. While Hanwa has expanded its business and trading network of raw materials for ternary cathode batteries such as nickel and cobalt, securing a stable supply and broadening its trading network of phosphate resources have become more essential for the continued growth of its battery materials business.

KAP’s ore type is characterized by exceptionally low impurity levels and consists of igneous apatite-type deposits that also contain a certain amount of rare earth elements, which represent less than 5% of phosphate mines globally.

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

The MoU establishes a framework for a long-term offtake and commercial collaboration under which Hanwa would purchase and distribute the products. Through the distribution, Hanwa will leverage its extensive global network and long-standing relationships with battery manufacturers, automotive companies and magnet producers and other related industries across Japan and broader global markets to develop

downstream supply chains for the products. The companies will also explore collaboration on midstream processing in Ontario, technical cooperation and potential involvement in Phase 2 of the project, including engagement with Japanese and Canadian government institutions and private sector entities.

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.



KAP's phosphate ore



KAP's existing DMS facility

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*Battery Global Group for Electrification is an internal and cross-functional global organization which was established in April 2021. The Group integrates all stages of the electrification value chain—from upstream (mining and raw materials), midstream (intermediate products and components), downstream (finished products and energy storage), and recycling (reuse and recycling). By integrating the entire life cycle of essential minerals and secondary batteries for electrification, the Group is committed to creating more seamless and enhanced value for customers.