

## PRESS RELEASE

### Cover Technologies Inc. Announces Execution of Definitive Agreement to Acquire Flurbo Technology and the Appointment of new CEO and Director

Vancouver, B.C., Canada – August 19, 2021 – COVER TECHNOLOGIES INC. (CSE: COVE) (OTC: MGPRF) (Frankfurt: 304A) (the “**Company**” or “**Cover**”) is pleased to announce that further to the Company's news release on May 19, 2021, announcing that it had entered into a letter of intent to acquire from Nifty Technologies Inc. (“**Nifty**”), its Flurbo technology, the Company has entered into an asset purchase agreement dated August 16, 2021 (the “**APA**”).

Cover views the asset acquisition of Nifty's blockchain technology called Flurbo (“**Flurbo**”) as a complement to its current business of developing a technology to process magnesium from tailings in an environmentally and sustainable manner. The acquisition of Flurbo will provide the Company with the technology to vertically integrate the various levels of the resource sector from initial production to processing, and then up the supply chain, logistics, and finance. Cover's acquisition of Flurbo is an opportunity to aggregate all participants and transactions at all levels in the resources industry by providing one trusted and transparent digital solution. Flurbo will provide resource producers the ability to capture mineral production statistics to help streamline logistics and financing, and facilitate provenance tracking. The Flurbo solution may be used by a wide variety of participants including producers, purchasers, financial institutions, financiers, streamers, logistics companies, and assayers.

#### Terms of the Acquisition

Pursuant to the APA, Cover has agreed to acquire a 100% interest in the Flurbo technology, the rights and ownership to use the name "Nifty Technologies", and the services of Flurbo's Chief Technology Officer, on an as-needed basis, to manage the development of Flurbo and integration into the Company's current business. As consideration for the acquisition of Flurbo, Cover will issue to Nifty an aggregate of 5,500,000 common shares in the capital of Cover (each a "**Consideration Share**") at a deemed price to be determined at closing and as agreed to by the parties. In the event that after twelve (12) months from closing, Flurbo achieves a positive EBITDA within twenty-four (24) months from closing of the transaction, Cover will issue an additional number of shares equal to \$3,500,000 at the time of such achievement (the "**Performance Shares**"). Each Performance Share will have a deemed value equal to the closing price of the Company's common shares listed on the exchange the trading day prior to the issuance date thereof. The Consideration Shares and Performance Shares will be issued to Nifty and are subject to a four (4) month and one (1) day hold period from the date of issuance. Upon closing, Nifty will become an insider of the Company, owning approximately 19.4% of the issued and outstanding shares, on a non-diluted basis.

#### Appointment of New CEO and Director

The Company is also pleased to announce that Mr. Dorian Banks has been appointed Chief Executive Officer, interim Chief Financial Officer and a Director of Cover. Mr. Banks is a lifelong international entrepreneur with focuses on technology, blockchain and agri-tech. Notably, he has built companies from the ground up in wireless technologies, mobile phone gaming and APPs, large scale plantations, UAV technology, 3D printing and crypto-currency mining. He has served as a senior executive and/or board member of over a dozen publicly traded companies over the past two decades, arranging financings from some of the largest global banks. The Company is excited to welcome Mr. Banks to guide the integration of the Flurbo technology with its developing magnesium processing technology.

Concurrent with the appointment of Mr. Banks, the Company announces that Mr. Louie has resigned as the Company's Chief Executive Officer, Chief Financial Officer and Director, effective immediately. Cover wishes to thank Mr. Louie for his services and guiding the Company to this phase of the Company's development.

On behalf of the Board of Directors of the Company,

COVER TECHNOLOGIES INC.

*"Dorian Banks"*

Dorian Banks, CEO

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*Neither the Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this news release.*

### **About Cover Technologies Inc.**

**Cover Technologies Inc.** is a technology research & development company with a focus on emerging technologies and solutions. In addition to the current research and development on its magnesium processing technology, Cover Technologies is in pursuit of identifying opportunities in emerging technologies. For further information or questions regarding the Company kindly contact the Company via email at [info@covertechnologies.com](mailto:info@covertechnologies.com). Additional information can be found by viewing the Company's filings at [www.sedar.com](http://www.sedar.com).

### **Forward-Looking Information**

Information set forth in this press release may involve forward-looking statements, including statements relating to the securities of the Company trading on the CSE. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address a company's expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with marketing and sale of securities; the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers or directors with certain other projects; and the volatility of common share price and volume. In this case, disclosure about the proposed acquisition of Flurbo is a forward-looking statement, and there is a risk that the acquisition may not occur or occur as planned, and there is a risk that such event(s) occurring or not occurring (whether at all or as planned) may have adverse unforeseen impact on the Company, its market for securities, and/or its future business prospects (which include fundraising and operational matters). Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and except as required by law, the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements. For further information on risk, investors are advised to see the Company's MD&A and other disclosure filings with the regulators which are found at [www.sedar.com](http://www.sedar.com).