

**Form 51-102F3**  
**Material Change**  
**Report**

**Item 1 Name and Address of Company**

Cover Technologies Inc.  
Suite 810 - 789 West Pender Street  
Vancouver, BC V6C 1H2  
(the "Company" or "Cover")

**Item 2 Date of Material Change**

September 15, 2021

**Item 3 News Release**

The news release was issued and disseminated on September 15, 2021, and posted under the Company's SEDAR profile, a copy of which is attached hereto at Exhibit "A".

**Item 4 Summary of Material Change**

The Company announced that it completed the acquisition of Flurbo, a decentralized finance blockchain technology software application designed to facilitate tracking, trading, transacting, and borrowing against digital assets, in a secured and transparent manner ("**Flurbo**") to complement to its current business of developing a technology to process magnesium from tailings in an environmentally and sustainable manner.

**Item 5 Full Description of Material Change**

Pursuant to the asset purchase agreement dated August 16, 2021 (the "**APA**"), Cover issued a total of 5,500,000 common shares in the capital of the Company (the "**Consideration Shares**") to the vendor, Nifty Technologies Inc. ("**Nifty**"). The parties agreed to a deemed price of \$0.265 per Consideration Share at the time the parties entered into the Letter of Intent on May 19, 2021, which deemed price was equal to the Company's last private placement on February 12, 2021. Cover believes that the deemed price of \$0.265 per common share on the date of the LOI accurately reflected the fair market value of Cover's common shares at the time the parties agreed to the acquisition.

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 (if issued) are subject to a four (4) month and one (1) day hold period from the date of issuance. The Company relied on the Asset Acquisition Prospectus Exemption, pursuant to Section 2.12 of National Instrument 45-106.

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.

Finder's fees were paid in connection with the acquisition of Flurbo to arm's length finder that consisted of an aggregate of 112,875 common shares in the capital of the Company (the "**Finder Shares**"). The Finder Shares are subject to a four (4) month and one (1) day hold period from the date of issuance.

See attached news release at Exhibit "A" to this report

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Dorian Banks, CEO

Business Telephone: 604-687-2038

**Item 9 Date of Report**

September 16, 2021

## EXHIBIT "A"

# COVER TECHNOLOGIES INC. CSE: COVE | Frankfurt: 304A | OTC:MGPRF

## PRESS RELEASE

### Cover Technologies Inc. Closes Acquisition of Flurbo Technology

Vancouver, B.C., Canada – September 15, 2021 – COVER TECHNOLOGIES INC. (CSE: COVE) (OTC: MGPRF) (Frankfurt: 304A) (the “**Company**” or “**Cover**”) is pleased to announce that it has closed the acquisition of Flurbo, a decentralized finance (“**DeFi**”) blockchain technology software application designed to facilitate tracking, trading, transacting, and borrowing against digital assets, in a secured and transparent manner (“**Flurbo**”). The acquisition of Flurbo was previously announced on May 19, 2021 and August 19, 2021.

Cover views the asset acquisition of this blockchain technology 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 asset purchase agreement dated August 16, 2021 (the “**APA**”), Cover issued a total of 5,500,000 common shares in the capital of the Company (the “**Consideration Shares**”) to the vendor, Nifty Technologies Inc. (“**Nifty**”). The parties agreed to a deemed price of \$0.265 per Consideration Share at the time the parties entered into the Letter of Intent on May 19, 2021, which deemed price was equal to the Company's last private placement on February 12, 2021. Cover believes that the deemed price of \$0.265 per common share on the date of the LOI accurately reflected the fair market value of Cover's common shares at the time the parties agreed to the acquisition.

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 (if issued) are subject to a four (4) month and one (1) day hold period from the date of issuance. The Company is relying on the Asset Acquisition Prospectus Exemption, pursuant to Section 2.12 of *National Instrument 45-106*. 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.

Finder's fees were paid in connection with the acquisition of Flurbo to arm's length finder that consisted of an aggregate of 112,875 common shares in the capital of the Company (the "**Finder Shares**"). The Finder Shares are subject to a four (4) month and one (1) day hold period from the date of issuance.

#### Bello Capital Partners

The Company also announces that it has engaged Bello Holdings Inc. d.b.a Bello Capital Partners ("**Bello**"), an arm's length party to the Company, to provide a digital marketing campaign comprised of the following (collectively, the "**Services**") for a period of three (3) months: facilitation, organization and engagement with industry professionals, vendors, digital marketing experts, public relations, media professionals, lead generation services, investor relations firms and professionals, and newsletter writers on behalf of the Client; digital advertising and creative content development; web development; digital media buying and distribution; periodic campaign results reporting; general consulting and strategic direction to the Company on capital markets and business development activities; and such other services as may be agreed to in writing, from time to time. The Company has agreed to pay to Bello US \$350,000 (plus GST) for the Services, which shall commence on the date of payment and end on December 31, 2021. The compensation for Services does not include options to purchase securities of the Company. Bello's business address is located at Suite 100-736 Granville Street, Vancouver, BC V6Z 1G3, email is [ali@bellocapitalpartners.com](mailto:ali@bellocapitalpartners.com) and telephone number is 604-417-4440.

On behalf of the Board of Directors of the Company,

COVER TECHNOLOGIES INC.

*"Dorian Banks"*

Dorian Banks, CEO

For further information, please contact:

Cover Technologies Inc. Investor Relations

+1 604-687-2038

[info@covertechnologies.com](mailto:info@covertechnologies.com)

*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).