

Cover Technologies Provides Update on Its Magnesium Metal Process Development and Announces “Nifty”, a Division for Non-Fungible Tokens (NFTs)

VANCOUVER, B.C., CANADA – OCTOBER 7, 2021 - COVER TECHNOLOGIES INC. (CSE: COVE) (OTC: MGPRF) (Frankfurt: 304A) (the “Company” or “Cover”) is pleased to announce that its wholly owned subsidiary, Mag One Operations (“Mag One”), will be commencing its next phase to demonstrate the feasibility of producing magnesium metal using Tech Magnesium’s novel Aluminothermic Reduction Process. The initial work, carried out in 2019, was supported by the National Research Council of Canada (NRC), under its Industrial Research Assistance Program (NRC-IRAP).

As a recap, in 2019, Mag One entered into a Technology Acquisition Agreement with Tech Magnesium. The Tech Magnesium Technology was developed by Dr. Doug Zuliani, President and Founder of Tech Magnesium. Dr. Zuliani, along with Dr. David Dreisinger and Ms. Gillian Holcroft, will lead this next phase to demonstrate the ability to produce Mg metal from magnesium oxide. This next phase will take place in three (3) stages over a 4-month period.

Gillian Holcroft, President of Mag One, said: “We are excited to commence the next phase of this groundbreaking work, after initial promising results. In the initial phase, we modified an existing furnace and ran several tests to evaluate the feasibility of producing Mg metal. This same furnace is still in place which enables us to hit the ground running. The Tech Magnesium Technology, coupled with our serpentinite mine tailings-to-magnesium oxide (MgO) production technology, is aimed at becoming the lowest-cost, greenest primary magnesium metal produced in the world.”

Dr. Douglas Zuliani said, “A cost-effective MgO aluminothermic reduction process will be beneficial for vehicle light weighting. It will enable the widespread adoption of low carbon-footprint ultra-light magnesium alloy components thereby providing significant weight savings at net costs that are estimated to be highly competitive with current vehicle alloys including aluminum and high alloy steel. I look forward to working with the Mag One team to rapidly develop this technology into a commercial reality.”

The test work will be divided into three (3) technical stages with the overarching goals of obtaining quality Mg metal product at high yields and final aluminum products that have value in use or in recycle.

Cover is also pleased to announce that it is launching a dedicated division titled *Nifty* for non-fungible tokens (“NFTs”) as well as related assets and technologies in the decentralized finance (“DeFi”) category. The business activities of the Company’s *Nifty* division could add value to its

existing magnesium operations as well as its metals spot market *ElectrumX*, which is presently under development as announced in Cover's [September 22, 2021](#) press release.

Using the intellectual property that comprises the *Flurbo* Technology acquired by Cover from Nifty Technologies Inc. ("Nifty"), the Company intends to create solutions under its NFT division for issuing and transacting NFTs for various purposes to include data-oriented representation of commodity ownership. In a September 23, 2021 article by metals giant *Kitco*, the many possible applications of NFTs were detailed for unique assets such as artwork, which has led to organizations such as Visa investing in NFTs such as *CryptoPunks*¹. As this broad scope of use cases continues to prove popular, Cover also intends to explore NFT opportunities outside of commodity minerals such as magnesium as part of the activities of its NFT division.

Cover CEO Dorian Banks commented, "In the commodities space where transactions often rely on outdated technologies, NFTs can unlock a considerable amount of value for all players in the minerals segment. Blockchain and crypto technologies have continued to uphold and strengthen their value proposition over the years, and I believe that through our NFT division we can open many new doors that stand to complement our existing magnesium operations. Based on the performance of our early-stage applications of NFTs to commodity minerals such as magnesium, we may also soon begin to explore other NFT applications in areas such as media, digital art, and collectibles."

Sources

1 - <https://www.kitco.com/news/2021-09-23/How-NFTs-are-fueling-the-Ethereum-price.html>

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 and 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.ca. Additional information can be found by viewing the Company's filings at www.sedar.com.

Forward-Looking Information

This news release contains "forward-looking statements." Statements in this news release that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such forward-looking statements include, among other things: that the Company's Tech Magnesium Technology, coupled with its serpentinite mine tailings-to-magnesium oxide (MgO) production technology, is aimed at becoming the lowest-cost, greenest primary magnesium metal produced in the world; that a cost-effective MgO aluminothermic reduction process will be beneficial for vehicle light weighting that will enable the widespread adoption of low carbon-footprint ultra-light magnesium alloy components thereby providing significant weight savings at net costs that are estimated to be highly competitive with current vehicle alloys including aluminum and high alloy steel; that the Company will develop its magnesium technology into a commercial reality; and that the Company intends to create solutions under its NFT division for issuing and transacting NFTs for various purposes to include data-oriented representation of commodity ownership.

The material assumptions supporting these forward-looking statements include, among others, that: the technology to produce magnesium metal from tailings is proven and adopted by the industry; the availability of a sufficient quantity of serpentinite mine tailings at an economically viable price; the magnesium producing technology will produce less waste than any other commercially available technology or processing method; there is a market for the sale of the by-products from the production of magnesium metal; end-users such as vehicle manufacturers would adopt the use of magnesium metal as an alternative to aluminum; the ability to manufacture the modular design of the processing units in a timely manner; the increasing adoption of NFTs as a solution for various data-oriented use cases; the Company has the ability to mitigate the risks associated with the blockchain and NFT industry; and the ability to compete with other businesses in the NFT market.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: the risk that the Company will be unable to efficiently develop its magnesium technology; the risk that other competitors may offer similar magnesium technology; the risk that there may be negative changes in general economic and business conditions; the risk that the Company may have negative operating cash flow and not enough capital to complete the development of any of its technologies; the risk that the Company may not be able to obtain additional financing as necessary; the risk that there may be increases in capital and operating costs; the risk that the NFT technology may be subject to fraud and other failures; the risk that there may be technological changes and developments in the blockchain that make the NFT solutions obsolete; risks relating to regulatory changes or actions which may impede the development or operation of the blockchain solutions; the risk that other competitors may release similar blockchain solutions; the potential future unviability of the NFT market in general; and other general risks involved in the blockchain solutions.

Risks and uncertainties about the Company's business are more fully discussed in the Company's disclosure materials, including its reports filed with the Canadian securities regulators and which can be obtained from www.sedar.com.

Any of these risks may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Further, although the Company has attempted to identify factors that could cause actual results, levels of activity, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause results, levels of activity, performance or achievements not to be as anticipated, estimated or intended. These forward-looking statements are made as of the date of this news release, and the Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by applicable law, including the securities laws of the United States and Canada. Although the Company believes that any beliefs, plans, expectations and intentions contained in this news release are reasonable, there can be no assurance that any such beliefs, plans, expectations or intentions will prove to be accurate. The Company does not assume any liability for disclosure relating to any other company mentioned herein.