COVER TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE SIX-MONTH PERIOD ENDED MARCH 31, 2022

This Management Discussion and Analysis ("MD&A") of Cover Technologies Inc. ("Cover" or the "Company") should be read in conjunction with the Company's condensed interim consolidated financial statements for the six months ended March 31, 222 and the audited consolidated financial statements for the year ended September 30, 2021, together with the notes thereto. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All financial information in this MD&A have been prepared in accordance with IFRS. All dollar amounts included therein and in this MD&A are in Canadian dollars, the reporting and functional currency of the Company, except where noted. The MD&A contains information up to and including May 26, 2022 (the "Report Date").

FORWARD-LOOKING STATEMENT

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this MD&A may contain forward-looking statements relating to future opportunities, business strategies, mineral exploration, development and production plans and competitive advantages.

The forward-looking statements regarding the Company are based on certain key expectations and assumptions of the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, exchange rates, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms, the actual results of exploration and development projects being equivalent to or better than estimated results in technical reports or prior activities, and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of the Company consider these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect and such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward-looking statements, including among other things: inability of the Company to continue meeting the listing requirements of stock exchanges and other regulatory requirements, general economic and market factors, including business competition, changes in government regulations or in tax laws; general political and social uncertainties; commodity prices; the actual results of exploration, development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of, or estimates contained in, feasibility studies, pre-feasibility studies or other economic evaluations; and lack of qualified, skilled labour or loss of key individuals; as well as those factors detailed from time to time in the Company's interim and annual consolidated financial statements and management's discussion and analysis of those statements, along with the Company's annual information form, if any, all of which are filed and available for review on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list is not exhaustive.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MD&A are made as of the date of this MD&A

and the Company does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

OVERVIEW

Cover was incorporated on June 18, 2007 in British Columbia, Canada and is currently active in BC and Québec. Activities in Québec are carried out through Cover's wholly-owned subsidiary, Mag One Operations Inc. ("MOOI"). The Company's shares are currently traded on the Canadian Securities Exchange ("CSE") under the symbol "COVE" and are also listed on the Börse Frankfurt stock exchange ("Frankfurt") with the ticker symbol "304" and on the OTCBB symbol, "MGPRF". Cover 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 is in pursuit of identifying opportunities in emerging technologies. Cover has expanded its lines of business to include a decentralized finance blockchain technology software application designed to facilitate tracking, trading, transacting and borrowing against digital assets in a secured and transparent manner, which complements its magnesium technology by vertically integrating the various levels of the resource sector from initial production to processing, and then up the supply chain, logistics, and finance. Using its game-changing technology, Cover aims to be the most environmentally friendly & sustainable producer of magnesium (Mg) metal, ultrapure Mg compounds, by-products and vertically integrated coproducts.

OVERALL PERFORMANCE

During the period ended March 31, 2022, the Company consolidated the issued share capital on the basis of 7 old common shares for one (1) new common share (the "Consolidation"). Outstanding stock options and warrants were adjusted by the Consolidation ratio. All common shares and per common share amounts in these MD&A have been retroactively restated to reflect the share consolidation.

During the period ended March 31, 2022, the Company completed a non-brokered private placement and issued 1,453,431 common shares at a price of $0.255 per share for gross proceeds of $370,625.

Global Pandemic

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus (COVID-19), which include the implementation of travel bans, self-imposed quarantine periods and social distancing. COVID-19 has caused material disruption to businesses globally resulting in an economic slowdown. These measures may adversely affect and harm the Company by potentially limiting access to our technologies and preventing the Company from meeting its obligations. Additionally, these measures could affect the ability to complete due diligence on potential transactions by limiting in person meetings and restricting travel. The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. It is difficult to reliably measure the potential impact of this uncertainty on the Company's future financial results.

DeFi Technology

During the year ended September 30, 2021, the Company entered into an agreement to purchase the technology known as Flurbo, for decentralized finance ("DeFi") applications (“Flurbo”) from Nifty Technologies Inc. (“Nifty”), an arm’s length party. Pursuant to the terms of the agreement, the Company issued 785,714 commons shares with a fair value of $$4,400,000. 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.

A finders’ fees was paid in connection with the acquisition of Flurbo to arm’s length finder consisted of an aggregate of 16,125 common shares with a fair value of $90,300.

Cover views the 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.

Magnesium Agreements

In 2017, the Company entered into a purchase agreement (“SPA”) with Dundee Sustainable Technologies Inc. (“DST”) to purchase a Technical Report titled “Resource Estimation of the Nickel Content in Asbestos Mines Tailings (the “Tailings”), Thetford Mines, Québec, Canada” prepared by Systémes Geostat International (the “Technical Report”). The Company paid $5,000 and issued 40,000 common shares with a value of $9,000 pursuant to the SPA. The Company was to pay $20,000 and issue common shares of the Company with a value of $30,000 at the prevailing 20-day volume weighted average price upon the commencement of commercial production of product(s) by processing the Tailings on or before May 19, 2019. If the Company did not commence commercial production of product(s) by processing the Tailings on or before May 19, 2019, the Company was required to sell back the Technical Report for consideration of $1.00 to DST.

During the year ended September 30, 2020, the Company and its subsidiary, MOOI, sold back the Technical Report for $1.00 to DST and entered into a new agreement with DST to re-purchase the Technical Report. Pursuant to the new agreement, the Company must pay $5,000 or enter into a contract with a minimum value of $75,000 with DST for piloting the Company’s magnesium oxide production technology at DST’s facility on or before May 29, 2020. During the year ended September 30, 2021, DST exercised its option to re-purchase the Technical Report.

Magnesium Agreements (Continued)

In connection with the SPA, in 2017, the Company entered into an option agreement ("OA") with Asbestos Corp. Ltd. ("ACL"). Under the OA, the Company had an option to purchase up to 60 million tonnes of the Tailings (the "Option") on or before November 19, 2017. Pursuant to the OA, the Company paid $5,000 and issued 50,000 common shares of the Company with a value of $11,250. Upon exercise of the Option, the Company will be required to pay $100,000 and $1.00/tonne of Tailing used as a royalty and would have access to a minimum of five acres of land for the necessary plant and equipment. The OA was extended until June 30, 2019.

During the year ended September 30, 2020, the Company and its subsidiary, MOOI, entered into a new agreement with ACL whereby, the Company would have access to recover and process up to 60 million tonnes of Tailings located in Québec up to March 1, 2020. The new agreement will automatically be extended until March 1, 2022 if, prior to March 1, 2020, the Company provides ACL with notice in writing that it has completed a technical report on the Normandie Tailings pile in the form required pursuant to National Instrument 43-101. Pursuant to the agreement, the Company will pay ACL $1.00/tonne for the first 100,000 tonnes per year of Tailings taken by the Company, $1.50/tonne of Tailings above 100,000 tonnes per year and below 200,000 tonnes per year of Tailings. Payments will be due on or before March 31st for Tailings taken and processed in the preceding calendar year. Upon commencement of production, the Company will pay ACL a non-refundable deposit of $20,000. The Company provided ACL with the completed technical report of Normandie Tailings; therefore, the agreement has been extended to March 1, 2022.

During the year ended September 30, 2020, the Company terminated an agreement from 2018 between Mine Jeffrey Inc. ("Jeffrey") and Beausite Metal Inc. ("BMI") and entered into a processing agreement whereby Jeffrey and BMI have granted the Company and MOOI exclusive access to the Mine Jeffrey Serpentine Tailings project to recover up to 25 million tonnes of serpentine tailings and an option to acquire an additional 25 million tonnes for no additional consideration. The Company will have until November 30, 2024 to exercise the option to acquire the additional 25 million tonnes. The processing agreement acknowledged a $100,000 prepayment made during the year ended September 30, 2015 for the first 100,000 tonnes of tailings. The Company will pay $1.00/tonne of Tailings. Upon production being achieved, the per tonne rate will be subject to an annual increase on January 1st of each subsequent calendar year in accordance with the Consumer Price Index published by Statistics Canada.

The Company, through its subsidiary, MOOI, entered into a technology IP acquisition agreement, as amended (the "IP Agreement") with 8200475 Canada Inc. ("Tech Magnesium"), granting the Company an exclusive license to use and an option to acquire a 100% ownership of the aluminothermic and silicothermic technology (the "Tech Mag Technology"), and agreeing to collaborate to finalize the development and commercialization of the Tech Mag Technology (the "Collaboration"). The option is exercisable on or before January 3, 2024. Specific acquisition payments could be triggered upon exercising of the option to acquire the Tech Mag Technology. Due to confidentiality concerns, these specific acquisition payments have been redacted. During the Collaboration, the President of Tech Magnesium will provide services to MOOI to further de-risk the Mg metal processing technology. The significant terms of the IP Agreement are as follows:

- The Company must finance phase 1 which includes a lab-scale proof-of concept testing with thermodynamic modelling of the Tech Magnesium Technology on or before February 3, 2020 in order to retain the exclusive license option for this technology.

- The Company must finance phase 2 which includes design, construction and operation of a small-scale pilot test facility of the Tech Magnesium technology on or before January 29, 2023 in order to retain the exclusive license option for this technology.

Magnesium Agreements (Continued)

- The Company must finance phase 3 which includes design, construction and operation of the first magnesium metal commercial module with a minimum of 5,000 tpa production capacity using Tech Mag Technology on or before January 3, 2024 in order to retain the exclusive license option for this technology.

During the year ended September 30, 2020, the Company provided confirmation that phase 1 has been completed and the intention to proceed with phase 2. The Company is presently pursuing the development of a technology through Tech Magnesium which constitutes expenses towards research and development. While it is the intention of the Company to develop an intangible asset, the intangible asset shall be created only after the completion of the technical pre-feasibility study. At this point in time it is not known how the intended intangible asset shall be in a position to generate probable future economic benefits. The development of the intangible asset shall depend upon the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset. The Company has yet to exercise the Option.

Investissement Québec ("IQ")

The Company entered into an agreement with IQ on November 11, 2016, whereby IQ had agreed to provide a non-refundable contribution of $495,000 (the "Grant") to the Company (The "Agreement"). The conditions governing the Grant were as follows:

a) The Company would have to incur expenditures of $627,750 on the development of the Pilot Plant for processing of Magnesium (the "Project");

b) The Company was to complete the Project by March 31, 2017 (the "Project Completion Date");

c) The Company must establish itself within the MRC des Sources region for a minimum period of two (2) years from the date of receipt of the last payment from IQ;

d) The Company was to carry out and maintain its operations related to the Project, including significant development or improvement work on the design, development activities of the product/process, and not move this work outside the municipality of the MRC des Sources, for a period of 36 months from the date of receipt of the last payment from IQ;

e) IQ reserved its rights to call back the entire grant up until the Project is completed in the event of the following:

   - The Project not being completed by the Project Completion Date;

   - The Company abandoning the Project; - The Company divests of the Project or commits any act that leads to insolvency or bankruptcy or creditor protection;

   - The Company defaults under any loans, if any;

   - The Company makes material changes to the disbursement plans for the Company without consent of IQ; - Commit a fraud or false statement; and

   - Default in any other provision of the Agreement.

Investissement Québec ("IQ") (Continued)

As at March 31, 2022, the Company has met all the requirements noted above except for Point (c). The Company was granted an extension to February 28, 2018 to complete the Project and received the last installment of the Grant on February 14, 2018. IQ has therefore accepted that the Project has been completed including the compliance of points (a), (b) and (e) above.

According to the Agreement, as per Point (c) above, the Company was required to operate out of the municipality of MRC des Sources for a period of at least 2 years following the last installment from IQ. However, the Company has yet to set up an establishment in MRC des Sources. In this regard, the Company received a notice on October 5, 2018, from IQ informing the Company on its failure to establish a place of business in MRC des Sources. Due to the default in meeting the Agreement requirements, the grants have been reflected as a demand liability incurring interest at 4% per annum. During the period ended March 31, 2022, the Company accrued $9,750 (March 31, 2021 - $9,749) in interest on the Grant pursuant to the notice of default.

Technology

Québec Pilot Plant Study

The Company, through its subsidiary, MOOI, is in the process of implementing two flagship projects which we believe will position the Company and the Danville Québec region as an emerging player in the global Mg metal, high purity magnesium oxide (HP MgO) and high purity amorphous silica (HP Silica) marketplace. The first project involves the development of a modular 30,000 tonnes per annum (tpa) HP MgO & 33,000 tpa HP Silica Production facility using Serpentinite Mine Tailings as the feed source. The second project will transform the HP MgO into primary Mg metal and a high value saleable by-product using 5,000 tpa aluminothermic reduction modules.

The Company's pathway to commercialization involves building a modular 30,000 tpa high purity magnesium oxide (MgO) and amorphous silica production facility followed by 5,000 tpa Mg metal production modules. Subsequent modules will be financed from operating revenues until the Company is producing 1 million tpa of Mg metal.

To get to this stage the Company needs to complete the MgO/Silica pilot plant efforts to garner offtake agreements and begin engineering of this facility. As outlined above, Government support for this work was grant from the Canadian Government's Clean Growth Program. In parallel the Company will advance the Tech Magnesium metal production process.

The Company has already received significant support from both Provincial (Québec) and Federal governments due to its sustainable approach to Mg production, namely low CO2 footprint, zero waste and rapid commercialization via its modular expansion business strategy. The government recognizes the importance of long term, environmentally sustainable projects that will generate significant jobs and sustainable growth. The Company's modular expansion technology is expected to result in essentially zero waste being produced as it produces Mg metal, Mg products and by-products from above ground, already-mined serpentinite tailings.

In Southern Québec, there are significant amounts of tailings piles as a result of over one hundred years of asbestos mining operations. The Company has, however, secured access to 110 million tonnes of tailings (50M at Jeffrey Mines and 60M at the former Thetford Mines locations).

Technology (Continued)

Québec Pilot Plant Study (Continued)

In 2017, the Company commissioned an NI 43-101 “Summary of Current and Scientific Technical information” report entitled “Magnesium Bearing Waste Dumps Recycling Project”. The Jeffrey Mine extracted more than 100M tonnes of chrysotile fibre from 1886 to 2012. Historical data further indicate that 188M tonnes of tailings were produced from the Jeffrey Mine and about 25% of that quantity has been made available under contract for the Company’s project. The available tailings, as a result of this historical production, are ready for production in their present state and are not toxic. Using the available data, it is not possible to calculate a Mineral Resource nor a Mineral Reserve for this project. The two independent authors, namely Jacques Marchand, a Québec Ingénieur Géologue Conseil and Qualified Person per NI 43-101 and Christian Derosier a Professional Geologist, MSc, DSc and Qualified Person per NI 43-101, are however able to disclose a potential quantity and grade, expressed as ranges, of a target for further exploration. Specifically, the northern part of the Company’s Jeffrey tailings averages 38.5% +/-0.3% MgO (23.2%+/-0.3% Mg) and is considered representative of the 81,000 m3 sampled in 2015. The volume of tailings that are therefore available to the Company range from 0.08 to 18M cubic meters of chrysotile with a grade range of 26 to 41% MgO. Considering the compositional homogeneity of the tailings that were generated from the mine production rejects along with the historical tailings testing that was carried out by the Centre de Recherche Minerale (CRM), the independent authors believe that the average compositional grades might be representative of the 3M m3 of the shallower part of the tailings but caution that this is not a mineral resource estimate. The authors confirm that the potential quantity and grade discussed above is conceptual as there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource. The basis for the determination of the potential volume is based on surveying done in 2015 and before. A resource/reserve calculation might be useful but in the authors’ opinion will not add material value to the project.

The historical NI 43-101 Technical Report prepared by Systémes Geostat International Inc. on October 15, 2007 called: Resources Estimation of the Nickel Content in Asbestos Mines Tailings, Thetford Mines, Québec, Canada estimated 162.7M of Measured and Inferred tailings containing 37% MgO and 246.3M tonnes of inferred resources containing 38.6% MgO. Given that a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, The Company cannot treat the historical estimate as current mineral resources or mineral reserves. For this reason, Blue Lagoon Resources (BLR) engaged JPL GeoServices, a Val-d’Or-based, independent geological consulting firm to author a National Instrument 43-101 (NI 43-101) Technical Report (the “Report”) on the Normandie Tailings Project (the “Project”) that was mandated to include a Mineral Resource Estimate (“MRE”) for the Normandie tailings site, situated on the Property. As of the Report Date, the Company and its subsidiary, MOOI, sold back the 2007 Technical Report to DST.

JPL GeoServices issued an NI 43-101 Technical report issued on February 7, 2020 in the name of BLR and the Company on a portion of the Normandie tailings with the result being in line with what the Company had anticipated. Specifically, these tailings have a measured and indicated Mineral Resource Estimate (MRE) of 26.6M tonnes and a grade of 37.1% MgO. The Company could ultimately use its novel modular high purity MgO technology to build 10 plants, each producing 30,000 tonnes per year (TPY) of MgO and 33,000 TPY of amorphous silica for 30 years without having to seek another stockpile. The intended plant site is ideally located in a mining friendly jurisdiction that is close to road, rails, skilled labour and markets and boasts one of the lowest electricity costs in North America.

Research And Development

The Company has already demonstrated that its MgO manufacturing processes has the potential to produce greater than 98 weight percent pure MgO, as well as a saleable byproduct. It was also shown that the silicon contained within the serpentinite tailings that the Company is using, can be transformed into high-value amorphous silica (SiO2), which has potential commercial applications in the construction industry as a replacement for silica fume in concrete and in the rubber tire industry as a replacement for carbon black. Not only does the high-purity MgO have a significant commercial market, it will also serve as a feedstock for the Company's innovative aluminothermic reduction process to produce magnesium metal. Furthermore, the iron residue from the magnesium recovery process contains nickel, which has potential value for existing nickel recovery operations. Therefore, the Company's chlorine-free approach to transform serpentinite tailings into high purity MgO and SiO2 is targeted to be essentially a near 'zero discharge' operation.

In November 2018, the Company's subsidiary, MOOI, entered into a new contract with the University of Sherbrooke (UdS) for $12,500 to continue to advance and optimize the Company's novel hydrometallurgical process for producing high purity MgO, high-value amorphous silica and extract value from the iron-nickel residue.

Also, during this period, MOOI entered into a new contract with the Centre d'Innovation Minière de la MRC des Sources (CIMMS) for $102,300 to further optimize the pilot plant operating conditions to achieve maximum purity, minimize operating costs and better understand the parameters around Mg salt evaporation.

As previously mentioned, the purpose of the pilot plant, designed to process 100 kg/hr of serpentinite tailings, is two-fold: (1) to gather engineering data in order to design, build and operate a commercial 30,000 metric tonne per year MgO production facility in Southeastern Québec; and, (2) to generate MgO and amorphous silica for qualification purposes by third parties, including potential customers, for establishing offtake agreements.

In March 2019, the Company announced that the National Research Council of Canada (NRC), under its Industrial Research Assistance Program (IRAP) will support, on a cost-sharing basis MOOI project entitled "Feasibility – Magnesium Production using Aluminothermic Reduction Process" (the "Project"). Specifically, the NRC contract is supporting work done by Thermfact (Arthur Pelton, a thermodynamic expert), Kingston Process Metallurgy (KPM) and Glencore XPS (both metallurgical testing labs) in which NRC would cover 50% of eligible costs up to an amount of $98,400 (received). The goal of the project is to demonstrate the feasibility or producing Mg metal via aluminothermic reduction (Tech Magnesium process). The project completed at the end of January 2020 and consists of thermodynamic modelling, bench-scale experiments, process optimization and techno-economic analysis. Magnesium yields, along with by-product quality will be monitored at various processing conditions. With positive results stemming from the Project, the Company began work towards the pilot-scale demonstration phase in February 2020. The final phase of development will be the design, construction and start-up of the Company's first 5,000 tpa primary Mg metal module. Additional modules will then be brought online to coincide with market demand. As part of this effort, MOOI has entered into contracts with Thermfact on an hourly basis, while contracts with KPM and Glencore XPS are for a fixed fee. As an aside, the Company chose to move the work to Glencore XPS after it was deemed that the KPM furnace was too small to adequately demonstrate the Mg metal production process.

The Company, through its wholly owned subsidiary, MOOI, has commenced its next phase to demonstrate the feasibility of producing magnesium metal using Tech Magnesium's novel Aluminothermic Reduction Process. 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.

<u>Blockchain-based Technology and Platform</u>

The Company has commenced development of ElectrumX, a blockchain-based platform for tracking and transacting commodity minerals with features to include a spot market and integrations with third-party DeFi solutions. Cover expects that ElectrumX will launch in approximately Q4 2022, and will complement its existing activities in the minerals space. The ElectrumX platform features will include mineral data recording and indexing, spot market for minerals and DeFi integrations.

Mineral Data Recording and Indexing

Stakeholders throughout the mineral supply chain (e.g., miners, processors, refiners, etc.) will have the ability to seamlessly enter provenance data, recorded on an immutable distributed ledger (blockchain) to enhance visibility into the origins of a given unit/allotment of minerals, as well as the sourcing practices used to obtain it. This data will be accessible on the ElectrumX spot market and can be used as criteria for placing trade orders (e.g., a market order for magnesium produced specifically in a given region, or by an artisanal miner whose sourcing practices have been verified as sustainable).

Spot Market for Minerals:

Users of the ElectrumX spot market will have the ability to trade various minerals represented through digitized cryptographic instruments with near-instant delivery. The ElectrumX spot market will offer several advantages compared to incumbent spot markets for mineral commodities to include lower fees, faster transaction speeds, and greater visibility into the minerals being transacted with the ability to automatically filter transactions or searches based on verified provenance data.

DeFi Integrations

Various DeFi solutions allow for standalone tools or technologies to be added on a modular basis to enhance the functionality of the base solution (e.g., a DeFi lending protocol can integrate a third-party tool to ensure loan collateral is free of encumbrances). These ancillary features are commonly referred to as “Legos”, an analogy to the popular interlocking plastic brick toy collection. For DeFi solutions which handle or facilitate transactions of minerals, it will be possible to integrate data feeds from ElectrumX to allow mineral traders and investors to benefit from in-depth insights collected and held by ElectrumX.

Nifty Division

Cover is launching a dedicated division titled Nifty for nonfungible tokens (“NFTs”) as well as related technologies in the 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. Using the intellectual property that comprises the Flurbo Technology acquired by Cover from 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. Cover also intends to explore NFT opportunities outside of commodity minerals such as magnesium as part of the activities of its NFT division.

<u>Disinfectant and Cleaning Solutions</u>

During the year ended September 30, 2020, the Company partnered with Vera CLS Pty Ltd. (“Vera”) to distribute the Vera Products into Canadian, US and various European union markets. The Vera Products are safe, multi-purpose highly potent plant-based disinfectants, sanitizers, concentrates and other solution formulations with a unique paramagnetic efficacy that both cleans and starves bacteria from multiplying on surfaces. The partnership with Vera was terminated on October 1, 2020.

During the year ended September 30, 2020, the Company was negotiating the final terms of a lease agreement whereby they would pay $5,000.00 per month in lease payments for a bottling and manufacturing facility. During the year ended September 30, 2021, the Company terminated the letter of intent to negotiate the lease agreement.

The Company has entered into an agreement with COVEX Solutions Inc. ("COVEX") whereby Cover and COVEX would negotiate a 50/50 joint venture agreement. COVEX has developed, and is continuing to develop, a number of science backed, trade-secret formulations that are ready for commercialization and in accordance with Health Canada's monograph for hard surface disinfectants. Pursuant the agreement, Cover will pay $1,200,000 ($75,000 paid) to earn 50% equity ownership of COVEX. During the year ended September 30, 2021, the Company terminated negotiations with COVEX and all costs were written-off to operations.

PROPOSED TRANSACTIONS

In the normal course of business, management actively targets sources of additional financing through alliances with financial entities or other business and financial transactions which would assure continuation of the Company's operations and technology programs. As of the Report Date the Company has no proposed transactions other than what has been outlined in the MD&A.

SUMMARY OF QUARTERY RESULTS

The following table sets out selected quarterly financial information derived from the Company's unaudited condensed consolidated interim financial statements, for each of the eight recently completed quarters, which have been prepared in accordance with IFRS.

Period	Total revenue $	Loss and comprehensive loss for the period $	Net loss per share, basic and fully diluted $
March 31, 2022	-	(673,696)	(0.14)
December 31, 2021	-	(898,573)	(0.22)
September 30, 2021	-	(6,708,504)	(1.98)
June 30, 2021	-	(434,121)	(0.13)
March 31, 2021	-	(1,343,490)	(0.87)
December 31, 2020	-	(135,583)	(0.35)
September 30, 2020	-	(162,491)	(0.35)
June 30, 2020	-	(101,834)	(0.28)

The Company's performance for the period ended March 31, 2022 and 2021 was as follows:

	Six months ended March 31, 2022 $	Six months ended March 31, 2021 $	Change $
Revenue	-	-	-
Loss from operating expenses	(1,572,300)	(1,480,586)	91,714
Loss and comprehensive loss	(1,572,266)	(1,479,073)	93,193

SUMMARY OF QUARTERY RESULTS (CONTINUED)

Key changes in the primary components of the loss and comprehensive loss for the six months ended March 31, 2022 compared to the six months ended March 31, 2021 were as follows:

1. General and Administration of $1,551,012 decreased by $89,635 due to the following fluctuations:
   - Management fees are related to the executive officers of Cover and MOOI. The decrease of $35,000 was due to a change in executive officers during the quarter ending September 30, 2021.
   - Professional and consulting fees decreased by $173,712. During the period ending March 31, 2021, the Company engaged additional consultants to support the increase in business operations. During the period ended March 31, 2022, the Company engaged external consultants for the oversight of regulatory compliance.
   - Marketing expense increased by $107,015 due to the Company increasing promotional activities.
   - Office and administration and transfer agent and filing fees increased by $2,530, and $19,442 respectively. Included in transfer agent and filing fees is the corporate services related to these fees which increased by $17,288. These increases were a result of increased activities due to the acquisition of Flurbo and general corporate compliance increase.
   - Research are development activities in Québec that cannot be capitalized and are expensed. Research expense increased by $50,000 due to the Company commencing the next phase to demonstrate the feasibility of producing magnesium metal during the period ended March 31, 2022 compared to no research activity during the period ended March 31, 2021.

2. A non-cash stock-based compensation charge of $119,360 (March 31, 2021 - $Nil) was incurred to reflect the fair value of stock options during the period.

3. Interest expense increased by $2,079 due to the correction of interest owing pursuant to the notes payable that was repaid during the period ended March 31, 2022. Furthermore, the change in interest expense was due the repayment of $100,000 Convertible Debenture and the repayment of certain notes payable during the year ended September 30, 2021.

The Company's performance for the three months ended March 31, 2022 and 2021 was as follows:

	Three months ended March 31, 2022 $	Three months ended March 31, 2021 $	Change $
Revenue	-	-	-
Loss from operating expenses	(674,012)	(1,344,032)	(670,020)
Loss and comprehensive loss	(673,696)	(1,343,490)	(669,794)

Key changes in the primary components of the loss and comprehensive loss for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 were as follows:

General and Administration of $659,108 decreased by $678,147 due to the following fluctuations:

- Management fees are related to the executive officers of Cover and MOOI. The increase is attributed to the change in management, period over period.

SUMMARY OF QUARTERY RESULTS (CONTINUED)

- Professional and consulting fees decreased by $375,875. During the period ending March 31, 2021, the Company engaged additional consultants to support the increase in business operations. During the period ended March 31, 2022, the Company engaged external consultants for the oversight of regulatory compliance.
- Marketing expense decreased by $380,320 due to certain promotional activities not being performed during the quarter ended March 31, 2022.
- Office and administration decreased by $9,038, due to cost cutting measures.
- Transfer agent and filing fees increased by $10,658. Included in transfer agent and filing fees is the corporate services related to these fees which increased by $4,706. The change in fees resulted from the increase in general corporate compliance.

4. A non-cash stock-based compensation charge of $57,428 (March 31, 2021 - $Nil) was incurred to reflect the fair value of stock options during the period.

Interest expense increased by $8,127 due to the correction of interest owing pursuant to the notes payable that was repaid during the period ended March 31, 2022. Furthermore, the change in interest expense was due the repayment of $100,000 Convertible Debenture and the repayment of certain notes payable during the year ended September 30, 2021.

Cash flows during the six months ended March 31, 2022 and March 31, 2021

	March 31, 2022 **$**	**March 31, 2021** **$**	**Change** **$**
Cash used in operating activities	(790,716)	(1,315,207)	(524,491)
Cash provided by financing activities	212,189	4,530,958	(4,318,769)

Cash used in operating activities between 2022 and 2021 decreased primarily as a result of the Company prepaying for certain management and consulting fee services during the year ended September 30, 2021.

Cash provided by financing activities decreased primarily due to the Company completing a private placement of $370,625 during the period ended March 31, 2022 compared to $4,505,958 during the period ended March 31, 2021 and the repayment of $100,843 notes payable and $57,593 convertible debentures during the period ended March 31, 2022.

DISCUSSION OF OPERATIONS

Research expenses:

	Six months ended		**Three months ended**	
	March 31, 2022 **$**	**March 31, 2021** **$**	**March 31, 2022** **$**	**March 31, 2021** **$**
Technical consulting	50,000	-	-	-
	50,000	-	-	-

DISCUSSION OF OPERATIONS (CONTINUED)

The Company has been incurring research expense in relation to laboratory testing and thermodynamic modelling work with the goal of proving the economic viability of producing Mg metal from high purity MgO via aluminothermic reduction. In addition, the Company has continued its development efforts to further optimize and demonstrate its ability to produce high purity MgO and amorphous silica. As part of this work, the Company engages technical consultants. During the period ended March 31, 2022, the Company commenced the next phase to demonstrate the feasibility of producing Mg metal. During the period ended March 31, 2021, the Company cut back on the research expenses due to the travel bans and social distancing measures put in place resulting from the Covid-19 pandemic.

LIQUIDITY

	March 31, 2022	September 30, 2021
Working capital (deficiency)	$ (98,851)	$ 983,433
Deficit	$ (23,645,318)	$ (22,073,018)

The change in the working capital of $1,082,284 was primarily due to:

- General and administrative costs of $1,551012 and interest expense of $21,288.
- The repayment of $50,000 plus interest totalling $57,593 of the convertible debenture.
- The repayment of $86,000 plus interest totalling $100,843 of the notes payable.
- The closing a non-brokered private placement and issuing 1,453,431 common shares at a price of $0.255 per share for gross proceeds of $370,625.

Recent developments in the capital markets have restricted access to debt and equity financing for many companies. As the Company has no significant income, cash balances will continue to decline as the Company utilizes these funds to conduct its operations, unless replenished by capital fundraising or debt.

CAPITAL RESOURCES

The Company has not yet realized profitable operations and it has relied on non-operational sources of financing to fund operations. The ability of the Company to achieve its objectives, meet its ongoing obligations and recover its investments in granted and pending patents, and other assets will depend on management's ability to successfully execute its business plan, achieve profitable operations and obtain additional financing, if or when required. There is no assurance that these initiatives will be successful.

RELATED PARTY DISCLOSURES

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

RELATED PARTY DISCLOSURES (CONTINUED)

The following are the remuneration of the Company's related parties:

	March 31, 2022	March 31, 2021
	$	$
Dorian Banks, executive Director and CEO	30,000	-
Tony Louie, former executive Director and CEO	-	90,000
Drew Brass, non-executive Director for consulting fees	18,000	18,000
Company controlled by Gillian Holcroft, President of MOOI for consulting fees and research expenses	-	(28,000)
Share-based compensation	119,360	-
	167,360	80,000

<u>Due to related parties</u>

	March 31, 2022	September 30, 2021
	$	$
Tony Louie, former Executive Director and CEO	34,806	34,806
Company related to Tony Louie, former Executive Director and CEO	10,000	10,000
Drew Brass, non-executive Director	54,000	36,000
	98,806	80,806

Included in accounts payable and accrued liabilities as at March 31, 2022 is $4,725 (September 30, 2021 - $4,725) owing to a company controlled by the former CFO.

Except for the notes payable to related parties below, all amounts owing to related parties do not bear any interest, are unsecured and due on demand.

During the year ended September 30, 2020, the Company entered into a loan agreement with Frank Vlastelic, director of the Company whereby the director agreed to lend $16,000. The loan was unsecured, due on January 29, 2021 and bears interest at 8% per annum. During the period ended March 31, 2022, the Company issued Nil common shares (September 30, 2021 - 6,772 common shares) in settlement of the loan agreement amounting to $Nil (September 30, 2021 - $19,910).

OUTSTANDING SHARE DATA

(a) Authorized

Unlimited number of Class A shares without par value.
Unlimited number of non-voting Class B preferred without par value.

The table below presents the Company's common share data:

	Number as at the Report Date	Number as at March 31, 2022
Common Shares, issued and outstanding	5,521,309	5,521,309
Stock options convertible into common shares	404,286	404,286
Warrants	2,665,418	2,665,418

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its intangible assets and to maintain flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company currently has no source of revenues, though it raises capital by obtaining equity financing, selling assets and/or incurring debt. The Company is primarily dependent on the capital markets as its source of operating capital and the Company's capital resources are largely determined by the strength of the markets and by the status of the Company's intangible asset progress in relation to these markets, and its ability to compete for investor support of its technical capability.

FINANCIAL INSTRUMENTS

Fair values

The company's financial instruments consist of cash, accounts payable, due to related parties, notes payable and proceeds from convertible debentures.

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: - Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: - Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: - Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair value of the Company's cash is classified as a Level 1 fair value measurement. The Company does not have any Level 2 or 3 fair value measurements.

As at March 31, 2022, the fair values of the Company's financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary exposure to credit risk is on its cash which is held in bank accounts. As most of the Company's cash is held by two banks, there is a concentration of credit risk. This risk is low and is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments. The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consists primarily of refundable government goods and services taxes.

FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

Currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its ability to meet its short-term research and administrative expenditures by raising additional funds through share issuance when required. All the Company's financial liabilities have contractual maturities of less than a year or due on demand and are subject to normal trade terms. Working capital deficiency poses a liquidity risk unless the Company can monetize its intangible assets or acquire further equity or debt funding. The Company is exploring all opportunities for monetization of its assets and in acquiring further funding.

RISK AND UNCERTAINTIES

Risk is inherent in all business activities and cannot be entirely eliminated. Our goal is to enable the Company's business processes and opportunities by ensuring that the risks arising from our business activities, the markets and political environments in which we operate are mitigated. The risks and uncertainties described in the MD&A for the year ended September 30, 2021 are considered by management to be the most important in the context of the Company's business and are substantially unchanged as of the Report Date. Those risks and uncertainties are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

CHANGES IN ACOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis. Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. Management will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional personnel in order to provide greater segregation of duties. Since there is insufficient work at this time to warrant the additional costs, management has chosen to disclose the potential risk in its filings and proceed with increased personnel only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by management of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.