

**COVER TECHNOLOGIES INC.**  
810 - 789 West Pender Street  
Vancouver, BC V6C 1H2

**Cover Technologies Announces Execution of Letter of Intent**

**VANCOUVER, BC** – October 4, 2022 – Cover Technologies Inc. (the “**Company**”) (CSE: COVE) (OTC: MGPRF) (Frankfurt: 304A) is pleased to announce that it has entered into a non-binding letter of intent (the “**LOI**”) with 1346487 B.C. Ltd. (“**NumberCo**”), pursuant to which the Company would take assignment (the “**Assignment**”) of a securities exchange agreement dated August 2, 2022 between NumberCo and PlasCred Inc. (“**PlasCred**”) (the “**Agreement**”) including an assignment of the monies that have been advanced by NumberCo to Plascred, which are expected to be \$800,000 by the time of closing of the Assignment and secured by a general security agreement over all the assets of Plascred. In consideration for the Assignment, the Company will issue to NumberCo 12,500,000 units (each, a “**Unit**”) of the Company at a deemed price of \$0.10 per unit, with each Unit consisting of one common share (each, a “**Share**”) in the capital of the Company and one Share purchase warrant (each, a “**Warrant**”) exercisable for a period of two years at an exercise price of \$0.25 per Share.

The LOI is a non-binding agreement which sets out the principal terms on which the parties have agreed to complete the Assignment. Subject to satisfactory due diligence and successful additional negotiations, the parties intend to enter into a definitive agreement with respect to the Assignment (the “**Definitive Agreement**”) on or before October 31, 2022.

The Assignment will allow the Company, or a subsidiary of the Company, to acquire all of the outstanding securities of PlasCred from the securityholders of PlasCred (the “**Transaction**”).

*PlasCred*

PlasCred is a private green technology company incorporated in Alberta, whose patent-pending and proprietary process enables true plastic waste removal in a scalable, systematic and profitable way. The PlasCred “process” hopes to deliver a commercially viable plastic recycling process, providing immediate economic benefit for industry, communities and government organizations for handling waste plastic. PlasCred is also developing strategic partnerships with Altex Energy Ltd. and CN Rail, enabling PlasCred’s unparalleled logistics support across North America for transportation and handling of plastic waste.

*Summary of Transaction*

In connection with the completion of the Transaction (the “**Closing**”), the Company will issue up to an aggregate of 35,000,000 Shares at a deemed price of \$0.10 per Share on a pro rata basis to the securityholders of PlasCred. Except as set forth below, the Company is not assuming any long term debt as part of the Transaction and no finders fees are anticipated to be paid.

Completion of the Transaction remains subject to a number of conditions, including satisfactory due diligence by the parties, NumberCo obtaining the consent of PlasCred for the Assignment, entry into of the Definitive Agreement, receipt of all requisite approvals, and other conditions customary for transactions of this nature. The Transaction is a Fundamental Change under the

Policies of the Canadian Securities Exchange (the “CSE”), requiring the CSE to review and approve the Transaction and the Company to obtain shareholder approval for the Transaction. The LOI includes a completion deadline for the Transaction of November 30, 2022. A summary of PlasCred’s financial information will be included in a subsequent press release once such financial information has been obtained by the Company. It is anticipated that PlasCred will provide audited financial statements in due course. The parties will endeavor to complete the Transaction as soon as practicable and intends to complete the Transaction prior to the completion deadline. There can be no assurance that the Transaction will be completed as proposed or at all.

The Transaction will be completed pursuant to available exemptions under applicable legislation.

### ***Unit Financing***

In addition to the Assignment, the Company also announces a non-brokered private placement consisting of the issuance of up to 4,000,000 units of the Company at a deemed price of \$0.10 per unit for gross aggregate proceeds of up to \$400,000 (the “Unit Financing”). Each unit will consist of one Share and one Warrant, with each Warrant entitling the holder thereof to acquire one additional Share at an exercised price of \$0.25 per Share for a period of two years from the date of issuance.

The Company intends to use the proceeds from the Unit Financing for general working capital purposes as well as to help fund the closing of the Transaction.

Finders’ fees in cash and securities may be payable in connection with the Unit Financing in accordance with the policies of the CSE and applicable securities laws.

This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein in the United States. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to the account or benefit of a U.S. person absent an exemption from the registration requirements of such Act.

*Completion of the Transaction is subject to a number of conditions, including acceptance of the CSE. There can be no assurance that the Transaction will be completed as proposed or at all.*

*Investors are cautioned that any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.*

*The CSE has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.*

## ON BEHALF OF THE BOARD

Dorian Banks – CEO

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

### Contact Information

For more information please contact:

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

Investor Relations

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#### ***Forward-Looking Statements:***

*This news release contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian legislation. All statements in this news release that are not purely historical are forward-looking statements and include statements regarding beliefs, plans, expectations and orientations regarding the future including, without limitation, the Company’s ability to obtain the consent of PlasCred with respect to the Assignment, that the parties will be able to enter into the Definitive Agreement and that the Transaction will close, and that the Company will be able to complete the Unit Financing. Although the Company believes that such statements are reasonable and reflect expectations of future developments and other factors which management believes to be reasonable and relevant, the Company can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: “believes”, “expects”, “anticipates”, “intends”, “estimates”, “plans”, “may”, “should”, “would”, “will”, “potential”, “scheduled” or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, that it and PlasCred, as applicable, will obtain the required approvals for the Assignment, the Transaction and the Unit Financing, as applicable, the availability of the financing required for the Company to carry out its planned future activities, and the availability of and the ability to retain and attract qualified personnel.*

*Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, but are not limited to, the inability of the Company obtain the requisite approvals for the Assignment and to close the Transaction (including as a result of the inability of the Company and PlasCred to obtain the required approvals), execute its proposed business plans, and carry out planned future activities. The ongoing dispute between the Sovereign State of Ukraine and Russia also poses risks that are currently indescribable and immeasurable. Other factors may also adversely affect the future results or performance of the Company, including general economic, market or business conditions, changes in the financial markets, changes under applicable laws, regulations and policies affecting the industry of the Company or PlasCred, as applicable, as well as the risks and uncertainties which are more fully described in the Company’s annual and quarterly management’s discussion and analysis and in other filings made by the Company with Canadian securities regulatory authorities under the Company’s profile at [www.sedar.com](http://www.sedar.com). Readers are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly, are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements.*

*These forward-looking statements are made as of the date of this news release and, unless required by applicable law, 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 these forward-looking statements.*

*The Canadian Securities Exchange (operated by CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.*