

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Cover Technologies Inc. (the “**Company**”)
810 - 789 West Pender Street
Vancouver, BC V6C 1H2

Item 2 Date of Material Change

October 4, 2022.

Item 3 News Release

The news release dated October 4, 2022 was disseminated via Stockwatch and Baystreet on October 4, 2022.

Item 4 Summary of Material Change

The Company announced that it 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.

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.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in Item 4 above and in the attached news release which has been filed on SEDAR.

5.2 Disclosure for Restructuring Transactions

N/A

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

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Contact: Dorian Banks, CEO
Telephone: (604) 687-2038

Item 9 Date of Report

October 13, 2022