

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

November 15, 2022

Item 3 News Release

The news release dated November 15, 2022 was disseminated via GlobeNewswire.

Item 4 Summary of Material Change

The Company announced that, further to its news release dated October 4, 2022, it has entered into an assignment agreement (the “**Agreement**”) with 1346487 B.C. Ltd. (“**NumberCo**”) and PlasCred Inc. (“**PlasCred**”), pursuant to which the Company has agreed to enter into an assignment agreement (the “**Assignment**”) of a securities exchange agreement dated August 2, 2022 among NumberCo and PlasCred Inc. (“**PlasCred**”) and the shareholders of PlasCred (collectively, the “**PlasCred Shareholders**”). In connection with the Agreement, the Company has also agreed by way of novation and assumption agreement to take 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 (the “**Loan Assignment**”).

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 CN Rail, providing PlasCred with unparalleled logistics support across North America for transportation and handling of plastic waste. Further information on PlasCred, see their website located at www.plascred.com.

The Assignment

In consideration for the Assignment, the Company will issue to NumberCo 12,000,000 post-Consolidation (as defined below) units (each, a “**Unit**”) of the Company at a deemed price of \$0.10 per Unit, with each Unit consisting of one post-Consolidation common share (each, a “**Share**”) in the capital of the Company and one post-Consolidation Share purchase warrant (each, a “**Warrant**”) exercisable for a period of two years at an exercise price of \$0.25 per post-Consolidation Share. The Assignment will allow the Company to acquire all of the outstanding securities of PlasCred from the securityholders of PlasCred (the “**Transaction**”). With respect to the issuance of units to NumberCo, the price of \$0.10 per Unit was based on the closing

price of the Shares on October 3, 2022, the day prior to the announcement of the letter of intent with respect to the Transaction.

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 for the Loan Assignment, the Company is not assuming any long term debt as part of the Transaction and no finders fees are anticipated to be paid. Concurrent to the entry into of the Agreement, the Company, PlasCred and the PlasCred Shareholders entered into an amended and restated securities exchange agreement to, among other things, bring forward certain dates with respect to the Closing of the Transaction as well as to replace the representations and warranties of NumberCo with that of the Company. With respect to the Shares to be issued to the PlasCred Shareholders, the price of \$0.10 per Share was based on the closing price of the Shares on October 3, 2022, the day prior to the announcement of the letter of intent with respect to the Transaction.

Completion of the Transaction remains subject to a number of conditions, including satisfactory due diligence by the parties, receipt of all requisite approvals, including the conditional approval of the Canadian Securities Exchange (the “**CSE**”), and other conditions customary for transactions of this nature. The Transaction is a Fundamental Change under the Policies of the CSE, requiring the CSE to review and approve the Transaction and the Company to obtain shareholder approval for the Transaction.

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. 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.

Share Consolidation

Prior to the closing of the Transaction, the Company intends to consolidate its outstanding Shares on the basis of 2 pre-consolidation Shares for every one post-consolidation Share (the “**Consolidation**”).

Financing

In addition to the Assignment, the Company also announces a non-brokered private placement consisting of the issuance of up to 13,333,333 post-Consolidation Shares at a deemed price of \$0.30 per post-Consolidation Share for gross aggregate proceeds of up to \$4,000,000 (the “**Financing**”).

The Company intends to use the proceeds from the 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 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

A full description of the material change is described above in Item 4 and in the News Release dated November 15, 2022 filed on SEDAR at www.sedar.com.

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

Dorian Banks, Chief Executive Officer, 604.687.2038

Item 9 Date of Report

November 17, 2022