

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT is dated as of March 1, 2023.

BETWEEN:

PLASCRED INC., a corporation existing under the laws of the Province of Alberta (the “**Debtor**”)

- and -

COVER TECHNOLOGIES INC., a corporation existing under the laws of the Province of British Columbia (the “**Secured Party**”)

WHEREAS pursuant to an Amended and Restated Share Exchange Agreement dated March 1, 2023, between the Secured Party and the Debtor (the “**SEA**”), the Secured Party agreed to advance a short-term loan of \$1,000,000.00 (the “**Loan**”) to the Debtor in connection with the completion of the acquisition transaction contemplated under the SEA (the “**Acquisition Transaction**”);

AND WHEREAS the Debtor and the Secured Party have entered into a loan agreement dated March 1, 2023 (the “**Loan Agreement**”) pursuant to which the Secured Party shall advance the Loan to the Debtor;

AND WHEREAS in accordance with the Loan Agreement, as security for the indebtedness, liabilities and obligations of the Debtor under the Loan Agreement, the Debtor has agreed to grant the Secured Party the security interest contemplated in this general security agreement (this “**Agreement**”);

NOW THEREFORE in consideration for of the covenants and agreements herein contained, the Loan Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Debtor covenants and agrees with the Secured Party as follows:

ARTICLE 1 SECURITY INTEREST

1.1 For valuable consideration and as security for the payment and performance by the Debtor of the Loan Agreement, the Debtor hereby:

- (a) grants, assigns, transfers, mortgages and charges to the Secured Party, as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a continuing security interest in, all of the Debtor’s present and after-acquired personal property including without limitation all Goods (including Inventory and Equipment), Accounts, Chattel Paper, Documents of Title, Instruments, Intangibles, Money and Securities now owned or hereafter acquired by or on behalf of the Debtor (and all rights and interests now or hereafter held by or on behalf of the Debtor with respect to any of the foregoing) and also including without limitation, all Proceeds of and attachments and accessions to any of the foregoing; and
- (b) charges as and by way of a floating charge to and in favour of the Secured Party all its undertaking, property and assets, both present and after-acquired, of every nature and

kind and wherever situate, other than such of its undertaking, property and assets as are otherwise validly and effectively subject to the mortgage, charge and security interest contained in paragraph (a) above.

(All of the undertaking, property and assets described in this section 1.1 is herein collectively called the “**Collateral**”).

- 1.2 The grants, assignments, transfers, mortgages, charges and security interests to and in favor of the Secured Party herein created are collectively called the “**Security Interest**” or the “**Security**”.
- 1.3 The Security Interest granted hereby shall not extend or apply to, and the Collateral shall not include, the last day of the term of any lease or agreement therefor; however, the Debtor will hold such last day in trust for the Secured Party and upon the enforcement of the Security Interest the Debtor will assign the same as directed by the Secured Party.
- 1.4 The terms “Accessions”, “Accounts”, “Chattel Paper”, “Documents of Title”, “Equipment”, “Goods”, “Instruments”, “Intangibles”, “Inventory”, “Money”, “Proceeds”, and “Securities”, including any singular or plural variation thereof whenever used herein shall be interpreted pursuant to the respective meanings given to such words in the *Personal Property Security Act* (Alberta) (the “**Act**”), as amended from time to time, which Act, including amendments thereto and any act substituted therefor and amendments thereto is herein referred to as the “**PPSA**”.
- 1.5 Any reference hereinafter to the “Collateral” shall, unless the context otherwise requires, be deemed a reference to the “Collateral or any part thereof”.
- 1.6 If the grant of the Security Interest in respect of any contract, lease, agreement to lease, license, permit, approval or intellectual property right would result in the termination or breach of such contract, lease, agreement to lease, license, permit, approval or intellectual property right, then the applicable contract, lease, agreement to lease, license, permit, approval or intellectual property right will not be subject to the Security Interest hereunder.

ARTICLE 2 ENFORCEMENT

- 2.1 In the event of the occurrence of an Event of Default (as defined in the Loan Agreement), the Security shall immediately become enforceable.
- 2.2 Whenever the Security has become enforceable, the Secured Party may realize upon the Security and, to the extent permitted by law, enforce the Secured Party’s rights by the following remedies:
 - (a) entry into possession;
 - (b) sale in accordance with section 2.3 hereof;
 - (c) proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Agreement includes a receiver and manager) of all or any part of the Collateral;

- (d) proceedings in any court of competent jurisdiction for sale (including, without limitation, sale by way of a deferred payment arrangement) or foreclosure or lease of all or any part of the Collateral;
- (e) filing of proofs of claim and other documents to establish the Secured Party's claims in any proceeding relative to the Debtor;
- (f) appointment by instrument in writing of a receiver of all or any part of the Collateral and removal or replacement from time to time of any such receiver; and
- (g) any other remedy or proceeding authorized or permitted hereby or by law or equity.

Such remedies may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Secured Party however created.

2.3 If the Security hereby constituted shall become enforceable, the Secured Party may seize or otherwise take possession of the Collateral or any part thereof, and, to the extent permitted by law, sell and dispose of the Collateral on commercially reasonable terms, either as a whole or in separate parcels, at a public auction or by tender or by private sale at such time or times as the Secured Party may determine, with or without notice to the Debtor, and may make any such sale, either for cash or credit or part cash and part credit or any other arrangement providing for deferred payment, and with or without advertisement, and with or without a reserve bid as the Secured Party may see fit, and the Secured Party may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time and may execute and deliver to the purchaser or purchasers of the Collateral or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, the Secured Party being hereby constituted the irrevocable attorney of the Debtor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Debtor and all other persons claiming all or any part of the Collateral by, from, through or under the Debtor.

2.4 Any receiver appointed by instrument in writing shall, to the extent permitted by law, have power to:

- (a) take possession of, collect and recover all or any part of the Collateral and, for that purpose, to take proceedings in the name of the Debtor or otherwise and to make any arrangement or compromise;
- (b) from time to time and without any previous notice or demand and free of charge, enter upon or into and occupy and use all or any part of the premises, buildings, plants and undertakings of or occupied or used by the Debtor without being or being deemed to be a mortgagee in possession;
- (c) carry on or concur in carrying on all or any part of the business of the Debtor;
- (d) borrow or raise money on all or any part of the Collateral for such purposes as may be approved by the Secured Party; and

- (e) sell or lease or concur in selling or leasing all or any part of the Collateral without notice and in such manner as may seem advisable to the receiver (including, without limitation, sale by way of deferred payment arrangement), on commercially reasonable terms and to effect such sale by conveying in the name and on behalf of the Debtor or otherwise.

The receiver shall be vested with such other discretions and powers as are granted in the instrument of appointment and any supplement thereto including, without limitation, any or all of the powers of the Secured Party.

- 2.5 Any and all moneys and other proceeds realized by the Secured Party pursuant to this Agreement may be applied by the Secured Party to such part of the Obligations (as defined herein) as the Secured Party in its sole discretion determines appropriate from time to time. The Debtor shall be and remain liable to the Secured Party for any deficiency after the proceeds of any sale or other disposition of Collateral are received by the Secured Party. The balance of such money and proceeds (if any) shall be paid to the Debtor.
- 2.6 Before and after a default in the payment of any money payable by the Debtor hereunder, the Secured Party will have, in addition to the rights specifically provided in this Agreement, the rights of a Secured Party under the PPSA and any similar or other legislation of any jurisdiction where and to the extent that the laws of such jurisdiction apply to this Agreement or the rights of the Secured Party as Secured Party hereunder, as well as the rights recognized at law and in equity. No right of the Secured Party in regard to this Agreement will be exclusive of or dependent upon or merge in any other such right, and one or more of such rights may be exercised separately or in combination from time to time.
- 2.7 None of the Secured Party, a receiver appointed in regard to this Agreement or any agent of the Secured Party (including any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other parties in respect of any of the Collateral.
- 2.8 The Secured Party is not obligated to exhaust their recourse against the Debtor or any other person or against any other security they may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral. The Secured Party may grant extensions or other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with guarantors, sureties or security as they may see fit without prejudice to the Obligations, the liabilities of the Debtor or any other person or the rights of the Secured Party in respect of the Collateral.

ARTICLE 3 CONTINUOUS INTEREST AND OBLIGATIONS SECURED

- 3.1 The Security Interest is a continuing charge, and shall secure the payment and performance of all debts, liabilities and obligations (including interest that but for the filing of a petition in bankruptcy, would accrue on such debts, liabilities and obligations), present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by, or otherwise payable by, the Debtor to the Secured Party, however or wherever incurred, and in any currency, and whether incurred by the Debtor alone or with another or others and whether as principal, guarantor or surety under, in connection with, or

pursuant to, the Loan Agreement (collectively, and together with the expenses, costs and charges described in section 3.2, the “**Obligations**”).

- 3.2 All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with this Agreement or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other costs incurred in taking possession or control of, repairing, protecting, insuring, preparing for disposition, selling, delivering or obtaining payment for the Collateral, as well as expenses, costs and charges incurred in any other lawful exercises of the powers conferred by the Loan Agreement and this Agreement, are payable on demand and shall be added to, and form a part of, the Obligations.

**ARTICLE 4
DEALING WITH COLLATERAL**

- 4.1 Until obligations of the Debtor pursuant to the Loan Agreement are fully satisfied or the Security becomes enforceable, the Debtor may deal with the Collateral in any manner considered by the Debtor to be in the best interest of the Debtor, provided that, any such dealings are undertaken in good faith having consideration to the overall value of the Security of the Secured Party.

**ARTICLE 5
SET-OFF**

- 5.1 Subject to the terms of the Loan Agreement and notwithstanding anything to the contrary herein, and without prejudice to any other right or remedy it has or may have, the Secured Party, may, in its sole discretion, set-off or recoup any obligations it may have to the Debtor against any obligations, indebtedness or liability for which the Debtor is liable to the Secured Party for, under or in any manner contemplated by the Loan Agreement, whether such obligations, indebtedness or liability is direct or indirect, absolute or contingent, matured or unmatured or liquidated or unliquidated. Similarly, the Debtor shall also be entitled to set-off or recoup any obligations it may have to the Secured Party against any obligations, indebtedness or liability for which the Secured Party is liable to the Debtor for, under or in any manner contemplated by the Loan Agreement, whether such obligations, indebtedness or liability is direct or indirect, absolute or contingent, matured or unmatured or liquidated or unliquidated. Any set-off contemplated hereunder may only be undertaken following the determination of the amount to which the Secured Party or the Debtor, as applicable, owes in accordance with the terms of the Loan Agreement.

**ARTICLE 6
NEGOTIABLE INSTRUMENT**

- 6.1 This Agreement is not a negotiable instrument.

**ARTICLE 7
WAIVER AND NOTICE**

- 7.1 No consent or waiver by the Secured Party shall be effective unless made in writing and signed by the Secured Party.

7.2 Notices required or permitted under this Agreement may be given by personal delivery, by e-mail or by any recognized overnight mail delivery service. Notices shall be deemed given upon receipt. Notices shall be sent to each party at the following addresses, subject to the right of each Party to specify a different address:

(a) If to the Debtor:

PlasCred Inc.
Unit #2 9815 48th Street SE
Calgary, AB T2C 2R1

Attention: Troy Lupul
E-mail: troy@plascred.com

(b) If to the Secured Party:

Cover Technologies Inc.
810 - 789 West Pender Street
Vancouver, BC V6C 1H2

Attention: Dorian Banks
E-mail: dorianbanks@gmail.com

ARTICLE 8 GOVERNING LAW

8.1 This Agreement shall be governed by and construed in accordance with the Laws of the Province of Alberta and the federal Laws of Canada applicable therein, and the parties hereto irrevocably and exclusively attorn to the jurisdiction of the courts of the Province of Alberta to resolve any disputes that may arise in connection with this Agreement and any transaction or other agreement or document contemplated hereby.

ARTICLE 9 BINDING EFFECT

9.1 This Agreement shall enure to the benefit of the Secured Party, its respective successors and assigns and shall be binding on the Debtor, its successors and permitted assigns.

9.2 If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part of a provision and the remaining part of a provision and all other provisions shall continue in full force and effect.

ARTICLE 10 TIME

10.1 Time shall be of the essence.

**ARTICLE 11
ASSIGNMENT**

- 11.1 Other than as set forth in this Article 11, neither the Secured Party nor the Debtor may assign their rights or obligations hereunder without the prior written consent of the other, which consent shall not be unreasonably withheld, conditioned or delayed, provided however that, no assignment shall relieve the Debtor of its obligations hereunder. Notwithstanding the foregoing, any rights or obligations of the Debtor may be assigned to any of the Debtor's related parties including its Affiliates (as such term is defined in the *Securities Act (Alberta)*) (the "**Debtor Related Party**"), in the sole discretion of the Debtor, provided that, the Debtor shall notify the Secured Party of any such assignment and cause such Debtor Related Party to provide a guarantee to the Secured Party in form and substance satisfactory to the Secured Party. If the Debtor assigns any of its rights or obligations under this Agreement to any Debtor Related Party, it shall immediately re-assume all such rights and obligations on such person ceasing to be a Debtor Related Party. For greater clarity, nothing in this Agreement will, or will be construed to, circumscribe or require the consent of the Secured Party for or of any transaction among the Debtor Related Parties.

**ARTICLE 12
ACKNOWLEDGMENT AND WAIVER**

- 12.1 The Debtor hereby acknowledges receipt of a copy of this Agreement and waives the right to sign or receive a copy of any financing statement or financing change statement, or any statement issued by any registry that confirms any registration of a financing statement or financing change statement, relating to this Agreement.

**ARTICLE 13
DISCHARGE**

- 13.1 Upon the repayment in full of all amounts owing by the Debtor pursuant to the Loan Agreement, this Agreement will immediately terminate and be of no further force and effect and the Secured Party will promptly release and discharge all of the Security Interest and this Agreement, including (without limitation), discharge of any registrations made by the Secured Party against the Debtor at the Personal Property Registry of Alberta.

[Remainder of page intentionally left blank]

This Agreement may be executed in any number of counterparts and may be delivered originally, by email in portable document format ("**PDF**"), or other electronic means, and each PDF copy or other electronic copy when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement effective as of the date first written above.

PLASCRED INC.

Per: "Troy Lupul"
Name: Troy Lupul
Title: President & CEO

COVER TECHNOLOGIES INC.

Per: "Dorian Banks"
Name: Dorian Banks
Title: Chief Executive Officer