

**COVER TECHNOLOGIES INC.**

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**Cover Technologies Announces Execution of Definitive Agreement  
for Business Combination**

**VANCOUVER, BC** – November 15, 2022 – Cover Technologies Inc. (the “**Company**”) (CSE: COVE) (OTC: MGPRF) (Frankfurt: 304A) is pleased to announce 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](http://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.

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 shareholder consent for the Transaction and, in connection therewith, that the Transaction will close, and that the Company will be able to complete the 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 Transaction and the 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 to obtain shareholder approval for the Transaction and, in connection therewith, to close the Transaction, execute its proposed business plans, and carry out planned future activities. Further, the ongoing COVID-19 pandemic, labour shortages, inflationary pressures, rising interest rates, the global financial climate and the conflict in Ukraine and surrounding regions are some additional factors that are affecting*

*current economic conditions and increasing economic uncertainty, which may impact the Company's operating performance, financial position, and future prospects. Collectively, the potential impacts of this economic environment pose risks that are currently indescribable and immeasurable. Other factors may also adversely affect the future results or performance of the Company, including those risk and concerns 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.*