FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **Cover Technologies Inc.** (the "Issuer").

Trading Symbol: **COVE**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Second quarter (six-month period) ended March 31, 2021.

Unaudited condensed interim consolidated financial statements of the Issuer for the six-month period ended March 31, 2021, as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix A.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

<u>With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed interim consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the six-month period ended March 31, 2021, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix B.</u>

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

<u>All securities issued and options granted, if any, have been disclosed in the Issuer's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021, attached hereto as Schedule A.</u>

(a) summary of securities issued during the period:

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price ($)	Total Proceeds ($)	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Jan 19, 2021	Common Shares	Shares for Debt	1,228,428	0.42	515,939.76	Services	Arm's Length	N/A
Jan 19, 2021	Common Shares	Shares for Debt	183,256	0.42	76,967.52	Services	Directors and Officers	N/A
Feb 26, 2021	Units. Each Unit consists of one Common Share and one Warrant	Private Placement	18,113,207	0.265	4,799,999.86	Cash	Arm's Length	$294,041.99 Cash, 602,398 Warrants and 528,194 Common Shares

(b) summary of options granted during the period:

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
N/A						

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As at March 31, 2021, the authorized capital of the Issuer consisted of an unlimited number of common shares without par value, and without any special rights or restrictions, of which 22,805,163 common shares were issued and outstanding.

The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Issuer and are entitled to one vote in respect of each common share held at such meetings. Subject to the rights, if any at the time, of shareholders holding shares with special rights as to dividends (none of which are authorized or outstanding at the date of this Quarterly Listing Statement), holders of common shares of the Issuer are entitled to dividends as and when declared by the directors. Subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, the holders of common shares are entitled to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Issuer.

(b) number and recorded value for shares issued and outstanding,

Date	Class	Number of common shares	Recorded value of common shares
March 31, 2021	Class A Common	22,805,163	$13,651,590
March 31, 2021	Class B Preferred	Nil	Nil

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Options: Options to purchase common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Stock Option Incentive Plan.

As at March 31, 2021, the following options were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

Date of Grant	Number of Options	Exercise Price	Expiry Date	Recorded Value
Jul 19, 2019	155,000	$2.00	Jul 19, 2021	$236,237
TOTAL	**155,000**			

Warrants: As at March 31, 2021, the following warrants were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

Date of Grant	Number of Warrants	Exercise Price	Expiry Date	Recorded Value
Feb 26, 2021	18,715,605	$0.75	Feb 26, 2023	N/A
TOTAL	**18,715,605**			

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As at March 31, 2021, no common shares of the Issuer wereheld in escrow, a pooling agreement or had any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name of Director/Officer	Position with Issuer
Drew Brass	Director
Tony Louie	Director, CEO and Interim CFO
Frank Vlastelic	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the six-month period ended March 31, 2021, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix B.

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Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated May 27, 2021

Tony Louie
Name of Director or Senior Officer

"Tony Louie"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer Cover Technologies Inc.	For Quarter Ended March 31, 2021	Date of Report YY/MM/D 2021/05/27
Issuer Address 789 West Pender Street, Suite 810		
City/Province/Postal Code Vancouver, British Columbia V6C 1H2	Issuer Fax No. (604) 687-3141	Issuer Telephone No. (604) 687-2038
Contact Name Tony Louie	Contact Position CEO	Contact Telephone No. 604-319-8712
Contact Email Address tlouieinvan@gmail.com	Web Site Address N/A	

APPENDIX A

COVER TECHNOLOGIES INC.

Unaudited condensed interim financial statements
for the six-month period ended March 31, 2021

COVER TECHNOLOGIES INC.

(formerly Mag One Products Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2021

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed interim consolidated financial statements of Cover Technologies (formerly Mag One Products Inc.) (the “Company”) as at March 31, 2021 and for the six months then ended, have been prepared by the management of the Company and approved by the Company’s Audit Committee.

Under National Instrument 51-102, Part 4, subsection 4.2(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by CPA Canada for a review of the condensed interim consolidated financial statements by an entity’s auditor.

COVER TECHNOLOGIES INC. (formerly Mag One Products Inc.)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2021	September 30, 2020
		$	$
ASSETS			
Current Assets			
Cash		3,229,580	12,401
Other receivables	7	1,225	1,225
Sales tax receivable		58,199	10,155
		3,289,004	23,781
Prepaids	15	75,000	50,000
		3,364,004	73,781
LIABILITIES AND SHARE HOLDERS' EQUITY (DEFICIENCY)			
Current Liabilities			
Accounts payable and accrued liabilities	6	477,673	371,748
Due to related parties	9	165,188	188,840
Notes payable	8	90,030	516,856
Advance from Investissement Québec	7	543,640	533,891
Proceeds from convertible debenture	11	171,760	166,529
		1,448,291	1,777,864
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	10	13,651,590	9,063,200
Reserves	10	3,430,978	2,918,987
Deficit		(15,166,855)	(13,686,270)
		1,915,713	(1,704,083)
		3,364,004	73,781

Nature of operations and going concern	1
Commitments	15

Approved and authorized by the Board on May 27, 2021

Approved on behalf of the Board:

"Frank Vlastelic"
Director

"Tony Louie"
Director

The accompanying notes are an integral part of these financial statements.

COVER TECHNOLOGIES INC. (formerly Mag One Products Inc.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

		Three months ended		Six months ended	
	Note	**March 31, 2021**	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
				$	$
Expenses					
Management fees	9	(4,000)	-	77,000	-
Office and administration		10,048	9,248	11,400	15,687
Professional and consulting fees	9	635,356	76,820	667,482	143,660
Investor communication		689,686	1,225	689,686	(19,252)
Research expense, net	7, 9	-	7,316	-	118,703
Travel		-	1,528	-	7,937
Transfer agent and filing fees		6,165	13,073	15,809	16,841
Loss from operating expenses		(1,337,255)	(109,210)	(1,461,377)	(283,576)
Other items					
Interest expense	7, 8, 11	(6,777)	(7,793)	(19,209)	(15,632)
Impairment of receivable		-	(17,750)	-	(17,750)
Other income	14	-	-	-	104,613
Loss for the period		(1,344,032)	(134,753)	(1,480,586)	(212,345)
Other comprehensive income (loss)					
Foreign currency translation adjustment		542	2,734	1,513	(2,144)
Comprehensive loss for the period		(1,343,490)	(132,019)	(1,479,073)	(214,489)
Weighted average number of common shares outstanding – basic and diluted		10,528,186	2,752,145	6,682,891	2,752,145
Basic and diluted loss per share		(0.13)	(0.05)	(0.22)	(0.08)

COVER TECHNOLOGIES INC. (formerly Mag One Products Inc.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Six months ended March 31, 2021	Six months ended March 31, 2020
	$	$
Operating activities		
Net loss for the period	(1,480,586)	(212,345)
Adjustments for:		
Accrued interest on notes payable	(2,670)	-
Accrued interest on convertible debentures	5,231	5,500
Accrued interest on government grant	9,749	9,878
Impairment of receivable	-	17,750
Shares for debt	7,000	-
Non-cash working capital items		
Accounts receivable	(48,044)	18,087
Prepaids	(25,000)	3,063
Accounts payable and accrued liabilities	105,925	(46,389)
Advance payable	-	50,474
Due to related parties	113,188	82,203
	(1,315,207)	(71,779)
Financing activities		
Proceeds from private placement, net	4,505,958	-
Proceeds from issuance of promissory notes	-	120
Proceeds from notes payable	25,000	-
Proceeds from sale of assets classified as held for sale	-	40,000
	4,530,958	40,120
Effect of foreign currency on cash	1,428	(2,144)
Change in cash during the period	3,215,751	(31,659)
Cash, beginning of the period	12,401	42,747
Cash, end of the period	3,229,580	8,944
Cash paid during the period for:		
Interest	$ 6,899	$ -
Taxes	$ -	$ -
Non-cash financing activities		
Shares issued for debt	$ 448,000	$ -
Related party shares issued for debt	$ 137,910	$ -
Fair value of broker warrants	$ 510,478	$ -

The accompanying notes are an integral part of these financial statements.

COVER TECHNOLOGIES INC. (formerly Mag One Products Inc.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
For the six months ended March 31, 2021 and March 31, 2020
(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Reserves					
	Number of common shares	Amount	Warrant	Loan	Option	Translation gain (loss)	Deficit	Total
		$	$	$	$	$	$	$
September 30, 2019	2,752,145	9,063,200	1,181,804	2,664,963	4,631,220	17,752	(18,789,676)	(1,230,737)
Foreign exchange adjustment	-	-	-	-	-	(2,144)	-	(2,144)
Loss	-	-	-	-	-	-	(212,345)	(212,345)
March 31, 2020	2,752,145	9,063,200	1,181,804	2,664,963	4,631,220	15,608	(19,002,021)	(1,445,226)
September 30, 2020	2,752,145	9,063,200	-	2,664,963	236,237	17,787	(13,686,270)	(1,704,083)
Shares for debt	1,411,684	592,910	-	-	-	-	-	592,910
Private placement	18,113,207	4,800,000	-	-	-	-	-	4,800,000
Finders' fee	528,127	(804,520)	510,478	-	-	-	-	(294,042)
Foreign exchange adjustment	-	-	-	-	-	1,513	-	1,513
Loss	-	-	-	-	-	-	(1,480,586)	(1,480,586)
March 31, 2021	22,805,163	13,651,590	510,478	2,664,963	236,237	19,300	(15,166,856)	1,915,712

1. Nature of Operations and Going Concern

Cover Technologies Inc. (formerly Mag One Products Inc.) ("Cover" or the "Company") was incorporated on June 18, 2007 in British Columbia, Canada. The Company's head office is located at Suite 600 – 777 Hornby St, Vancouver, V6Z 1S4. The Company's shares are traded on the Canadian Securities Exchange ("CSE"), Frankfurt stock exchange and the OTC Bulletin Board ("OTCBB").

The Company's principal business is the development and commercialization of industrial products and solutions technologies for the processing and production of magnesium metal and related compounds and by-products and co-products from serpentinite tailings, and disinfectant and cleaning solutions.

Going Concern

These condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial entities or other business and financial transactions which would assure continuation of the Company's operations and technology programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in these financial statements.

The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect and harm our business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. SIGNIGICANT ACCOUNTING POLICIES

Statement of compliance and basis of presentation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended September 30, 2020.

The condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the Company's 2020 audited consolidated financial statements.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Basis of consolidation

These condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. The financial statements of the subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases.

All inter-company balances and transactions, income and expenses have been eliminated upon consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The subsidiaries of the Company as of March 31, 2021 are as follows:

		Ownership Percentage	
Name	**Incorporation**	**2021**	**2020**
Mag One Operations Inc. ("MOOI")	Canada	100%	100%
Mag One Operations Inc. (Mag One USA)	USA	100%	100%
North American Magnesium Products LLC ("NAMP LLC")	USA	100%	100%

Functional currency and foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The condensed interim consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the Company's US subsidiaries, Mag One USA and NAMP LLC, is the US dollar. The functional currency of MOOI is the Canadian dollar.

Transactions in currencies other than Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation of the foreign operations are recorded to the Company's other comprehensive income (loss). These differences are recognized in the profit and loss in the period which the operation is disposed of.

3. SIGNIFICANT ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about critical judgments in applying accounting policies and sources of estimation uncertainty that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim consolidated financial statements within the next financial year are the same as those that applied to the Company's 2020 annual financial statements.

4. DEFINITIVE AGREEMENT DEPOSIT

On January 6, 2020 the Company and its subsidiary, MOOI, entered into a definitive earn-in and operating agreement (the "BLR Agreement") with Blue Lagoon Resources Inc. ("BLR"). Pursuant to the BLR Agreement, BLR may acquire up to a 70% equity interest in the Company by purchasing up to $5.25 million of shares of the Company.

BLR may acquire an additional 20% interest in the Company, subject to the Company obtaining shareholder approval, by making an additional payment of $1.5 million within 24 months of the closing date. Closing of the transaction is subject to various conditions, including completion of due diligence investigations, receipt of all necessary corporate and regulatory approvals, and compliance with stock exchange requirements.

During the year ended September 30, 2020, the Company received a deposit of $50,474 from BLR. On April 15, 2020, the Company and BLR signed a mutual termination and release agreement ("MTRA") to terminate the BLR Agreement between the parties. A term of the MTRA specifies that the Company has no obligations to BLR. During the period ended Jun 30, 2020, the Company recognized a gain on contract cancellation of $50,474.

5. INTANGIBLE ASSETS

Magnesium Technology

During the year ended September 30, 2017, the Company entered into a purchase agreement ("SPA") with Dundee Sustainable Technologies Inc. ("DST") to purchase a Technical Report titled "Resource Estimation of the Nickel Content in Asbestos Mines Tailings (the "Tailings"), Thetford Mines, Quebec, Canada" prepared by Systémes Geostat International (the "Technical Report"). The Company paid $5,000 and issued 40,000 common shares with a value of $9,000 pursuant to the SPA. The Company was to pay $20,000 and issue common shares of the Company with a value of $30,000 at the prevailing 20-day volume weighted average price upon the commencement of commercial production of product(s) by processing the Tailings on or before May 19, 2019. If the Company did not commence commercial production of product(s) by processing the Tailings on or before May 19, 2019, the Company was required to sell back the Technical Report for consideration of $1.00 to DST.

During the year ended September 30, 2020, the Company and its subsidiary, MOOI, sold back the Technical Report for $1.00 to DST and entered into a new agreement with DST to re-purchase the Technical Report. Pursuant to the new agreement, the Company must pay $5,000 (not paid) or enter into a contract with a minimum value of $75,000 with DST for piloting the Company's magnesium oxide production technology at DST's facility on or before May 29, 2020. During the period ended December 31, 2020, DST exercised its option to re-purchase the Technical Report for $1.00.

In connection with the SPA, during the year ended September 30, 2017, the Company entered into an option agreement ("OA") with Asbestos Corp. Ltd. ("ACL"). Under the OA, the Company had an option to purchase up to 60 million tonnes of the Tailings (the "Option") on or before November 19, 2017. Pursuant to the OA, the Company paid $5,000 and issued 50,000 common shares of the Company with a value of $11,250. Upon exercise of the Option, the Company will be required to pay $100,000 and $1.00/tonne of Tailing used as a royalty, and would have access to a minimum of five acres of land for the necessary plant and equipment. The OA was extended until June 30, 2019.

During the year ended September 30, 2020, the Company and its subsidiary, MOOI, entered into a new agreement with ACL whereby, the Company would have access to recover and process up to 60 million tonnes of Tailings located in Quebec up to March 1, 2020. The agreement will automatically be extended until March 1, 2022 if, prior to March 1, 2020, the Company provides ACL with notice in writing that it has completed a technical report on the Normandie Tailings pile in the form required pursuant to National Instrument 43-101. Pursuant to the agreement, the Company will pay ACL $1.00/tonne for the first 100,000 tonnes per year of Tailings taken by the Company, $1.50/tonne of Tailings above 100,000 tonnes per year and below 200,000 tonnes per year of Tailings. Payments will be due on or before March 31st for Tailings taken and processed in the preceding calendar year. Upon commencement of production, the Company will pay ACL a non-refundable deposit of $20,000 (not paid). The Company provided ACL with the completed technical report of Normandie Tailings; therefore, the agreement has been extended to March 1, 2022.

During the year ended September 30, 2020, the Company terminated an agreement dated July 12, 2018 between Mine Jeffrey Inc. ("Jeffrey") and Beausite Metal Inc. ("BMI") and entered into a processing agreement whereby Jeffrey and BMI have granted the Company and MOOI exclusive access to the Mine Jeffrey Serpentine Tailings project to recover up to 25 million tonnes of serpentine tailings and an option to acquire an additional 25 million tonnes for no additional consideration. The Company will have until November 30, 2024 to exercise the option to acquire the additional 25 million tonnes. The processing agreement acknowledged a $100,000 prepayment made during the year ended September 30, 2015 for the first 100,000 tonnes of tailings. The Company will pay $1.00/tonne of Tailings to be paid. Upon production being achieved, the per tonne rate will be subject to an annual increase on January 1st of each subsequent calendar year in accordance with the Consumer Price Index published by Statistics Canada.

Disinfectant and cleaning solution

During the year ended September 30, 2020, the Company signed a license and commercialization Agreement ("License Agreement") with Vera CLS Pty Ltd. ("Vera") whereby the Company will receive an exclusive license for the manufacturing, commercialization and distribution of all Vera's products ("Vera Products"). The Vera Products are an all natural, plant-based disinfectant and cleaning solutions. The Company's exclusivity encompasses the United States of America, including the District of Columbia and all territories and possessions of the United States of America, including Puerto Rico and the U.S. Virgin Islands, Canada and all of its provinces and territories, and the European Union ("the Territory").

The Agreement provides the Company with exclusive licensing and commercialization rights in this Territory to August 18, 2025 with 2 subsequent 5-year exclusive renewal terms.

The Company's obligations are a one-time payment of $100,000 and an ongoing royalty of gross sales for the five-year period of the agreement. The one-time payment will be paid out on the following schedule:

- $25,000 within 14 days from the signing of the agreement (paid);
- $25,000 within 14 days after the initial payment;
- $25,000 within 90 days of the last payment; and
- $25,000 within 90 days of the last payment.

There is no obligation to pay the total unpaid part of the one-time payment if the License Agreement is terminated prior to the due date for a particular unpaid payment related thereto. Year one of the agreement provides for a royalty of 8% of the gross sales. Years two to five of the agreement provide guaranteed royalties to Vera as follows:

- Year two – greater of $120,000 or 8% of gross sales;
- Year three – greater of $132,000 or 8%of gross sales;
- Year four – greater of $145,200 or 8% of gross sales; and
- Year five – greater of $159,720 or 8% of gross sales.

The royalty payments will be paid within 30 days at the end of each quarter and will not be due if the agreement is terminated before the respective due dates. During the year ended September 30, 2020, the Company recognized an impairment of the intangible asset of $25,000.

In connection with the Licensing Agreement the Company signed a business development agreement with VEMO Biotech Limited (the "VEMO"). VEMO will be leading the management, marketing, operations, staffing, sales and channel development for the Vera Products. The term of the business development agreement is twenty-four months with automatic annual renewal unless otherwise stated in writing 30 days prior to anniversary date. The agreement specifies a monthly retainer of $10,000 as well as Gross Over-Ride Royalty (GORR) / commission on the sales of the Company's Vera Products to be determined shortly.

The execution of the contract and engagement is subject to (a) the completion of the Company's due diligence and signing of the Master Licensing / Distribution Agreement with Vera Products, and (b) the completion of regulatory approvals for the sale and distribution of Vera Products as an all natural, green product in its contracted territories. The VEMO agreement was terminated on October 1, 2020 with no amounts owing or accrued.

(Expressed in Canadian Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2021	September 30, 2020
	$	$
Accounts payable (Note 9)	262,928	287,674
Accrued liabilities	214,745	84,074
	477,673	371,748

7. GOVERNMENT GRANTS

Investissement Québec (“IQ”)

The Company entered into an agreement with IQ on November 11, 2016, whereby IQ had agreed to provide a non-refundable contribution of $495,000 (the “Grant”) to the Company (The “Agreement”). The conditions governing the Grant were as follows:

a) The Company would have to incur expenditures of $627,750 on the development of the Pilot Plant for processing of Magnesium (the “Project”);
b) The Company was to complete the Project by March 31, 2017 (the “Project Completion Date”);
c) The Company must establish itself within the MRC des Sources region for a minimum period of 2 years from the date of receipt of the last payment from IQ;
d) The Company was to carry out and maintain its operations related to the Project, including significant development or improvement work on the design, development activities of the product/process, and not move this work outside the municipality of the MRC des Sources, for a period of 36 months from the date of receipt of the last payment from IQ;
e) IQ reserved its rights to call back the entire grant up until the Project is completed in the event of the following:
    - The Project not being completed by the Project Completion Date;
    - The Company abandoning the Project; - The Company divests of the Project or commits any act that leads to insolvency or bankruptcy or creditor protection;
    - The Company defaults under any loans, if any;
    - The Company makes material changes to the disbursement plans for the Company without consent of IQ; - Commit a fraud or false statement; and
    - Default in any other provision of the Agreement.

As at September 30, 2020 the Company has met all the requirements noted above except for Point (c). The Company was granted an extension to February 28, 2018 to complete the Project and received the last installment of the Grant on February 14, 2018. IQ has therefore accepted that the Project has been completed including the compliance of points (a), (b) and (e) above.

According to the Agreement, as per Point (c) above, the Company was required to operate out of the municipality of MRC des Sources for a period of at least 2 years following the last installment from IQ. However, the Company has yet to set up an establishment in MRC des Sources. In this regard, the Company received a notice on October 5, 2018, from IQ informing the Company on its failure to establish a place of business in MRC des Sources. Due to the default in meeting the Agreement requirements, the grants have been reflected as a demand liability incurring interest at 4% per annum. During the period ended March 31, 2021, the Company accrued $9,749 (2020 - $9,878) in interest on the Grant from the date of notice of default.

(Expressed in Canadian Dollars)

National Research Council Canada (“NRC”)

On January 31, 2019, the Company entered into a contribution agreement with NRC whereby NRC will pay the Company 50% of the eligible expenditures incurred by the Company for its feasibility project related to magnesium production up to a maximum of $98,400, with a maximum claim amount of $30,000 for the period from April 1, 2018 to March 31, 2019 and $68,400 for the period from April 1, 2019 – March 31, 2020. The funds received for this grant represent compensation for costs already incurred, and as such have been recognized in profit or loss on a systematic basis based on the related expenses. During the period ended March 31, 2021, the Company incurred a total of $Nil (2020 - $239,037) of eligible expenditures related to the project. A total of $Nil (2020 - $98,400) has been recognized into profit or loss as an offset to research expense.

Government of Canada via Natural Resources Canada - Clean Growth Program (the “CGP”)

On April 20, 2020 the Company entered into a contribution agreement whereby CGP will pay the Company 50% of eligible expenditures incurred by the Company for its front-end engineering design study for a high purity magnesium oxide demonstration plant using serpentinite tailings, up to a maximum claim amount of $1,666,500 ($12,246 claimed). Pursuant to the agreement, the CGP will withhold 10% from each payment until the Company has completed the project to the satisfaction of the Minister and has submitted all reports of which $1,225 was recorded in other receivables (received subsequent to the period ended March 31, 2021). The funds received for this grant represent compensation for costs already incurred, and as such have been recognized in profit or loss on a systematic basis based on the related expenses. During the period ended March 31, 2021, the Company incurred a total of $Nil of eligible expenditures related to this project. A total of $Nil has been recognized into profit or loss as an offset to research expense.

8. NOTES PAYABLE

During the period ended March 31, 2021, the Company received unsecured loan proceeds of $25,000 (September 30, 2020 - $215,000) from arms-length parties. During the period ended March 31, 2021 the Company issued 500,000 commons shares in settlement of notes payable amounting to $210,000 and reduced the interest owing by $7,993 to arms-length parties.

Principal $	Interest Rate %	Due Date	Principal and interest owing as at March 31, 2021 $	Principal and interest owing as at September 30, 2020 $
5,000	8	November 18, 2020	-	5,347
50,000	8	November 22, 2020	-	53,430
30,000	8	January 30, 2021	32,101	30,905
20,000	5	February 18, 2021	-	20,591
10,000	5	February 18, 2021	-	10,308
50,000	5	September 7, 2021	-	50,151
75,000	5	September 14, 2021	-	50,110
240,000			32,101	220,842

During the year ended September 30, 2020, a former director and former chairman, and a family member assigned amounts outstanding of $293,294 to an arms-length party (Note 9). During the period ended March 31, 2021 the Company issued 566,667 commons shares in settlement of notes payable amounting to $238,000. As at March 31, 2021, the Company had arms-length loans outstanding of $57,929 (September 30, 2020 - $296,014). These loans are unsecured, non-interest bearing and due on demand.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

Compensation paid to key management and directors

The following are the remuneration of the Company's related parties:

	March 31, 2021	**March 31, 2020**
	$	$
Executive Director and CEO	90,000	-
Non-executive Director for consulting fees	18,000	-
Company controlled by the President of MOOI for consulting fees and research expenses	(28,000)	80,000
A company controlled by a non-executive Director for consulting fees	-	5,000
	80,000	85,000

Due to related parties

	March 31, 2021	**September 30, 2020**
	$	$
Executive Director and CEO	79,000	70,000
Company related to Executive Director and CEO	10,000	6,000
Non-executive Directors	21,000	36,840
Company controlled by the President of MOOI	55,188	76,000
	165,188	188,840

Included in accounts payable and accrued liabilities as at March 31, 2021 is $4,725 (September 30, 2020 - $4,725) owing to a company controlled by the former CFO (Note 6).

Except for the notes payable to related parties below, all amounts owing to related parties do not bear any interest, are unsecured and due on demand.

During the year ended September 30, 2019, the Company received $137,944 and repaid $168,000 to the former Chairman and / or a company controlled by the former Chairman in the form of Units as follows:

a) issued 64,000 units of the Company in settlement of notes payable to the Director and former Chairman of the Company amounting to $128,000. The fair value of the units issued was estimated at $128,000.

b) issued 20,000 units of the Company in settlement of notes payable to a company owned by the Director and former Chairman of the Company amounting to $40,000. The fair value of the units issued was estimated at $40,000, including the shares valued at $40,000. The warrants were assigned no value under the residual method.

During the year ended September 30, 2020, a former director and former chairman, and a family member assigned the collective amounts outstanding of $293,294 to an arms-length party (Note 8). This included the $100,000 subscriptions received in advance from the former director and former chairman in connection with the units at $0.20 per unit that had not yet been issued. The balance was recorded as a current liability during the year ended September 30, 2019.

During the year ended September 30, 2020, the Company entered into a loan agreement with a director of the Company whereby the director agreed to lend $16,000. The loan is unsecured, due on January 29, 2021 and bears interest at 8% per annum. During the period ended March 31, 2021, the Company issued 47,404 common shares in settlement of the loan agreement amounting to $19,910. As of March 31, 2021, the Company had a balance payable including principal and interest of $Nil (September 30, 2020 - $18,840).

During the period ended March 31, 2021, the Company repaid $118,000 to the Director and CEO, and Director as follows:

a) issued 238,095 common shares of the Company to the Director and CEO of the Company amounting to $100,000.

b) issued 42,857 common shares of the Company to the Director of the Company amounting to $18,000.

10. SHARE CAPITAL

(a) Authorized

Unlimited number of Class A shares without par value.
Unlimited number of non-voting Class B preferred without par value.

The Company consolidated the issued share capital on the basis of 20 old common shares for one (1) new common share (the "Consolidation"). Outstanding stock options were adjusted by the Consolidation ratio. All common shares and per common share amounts in these condensed interim consolidated financial statements have been retroactively restated to reflect the share consolidation.

(b) Common Shares - issued and outstanding

Changes in issued share capital and equity reserves for the period ended March 31, 2021 were as follows:

1. A total of 1,411,684 common shares were issued at $0.42 to settle $592,910 debt owing.

2. The Company completed a non-brokered private placement of 18,113,207 units (the "Units") at a price of $0.265 per Unit for gross proceeds of $4,800,000. Each Unit consists of one common share (a "Share") in the capital of the Company and one share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one additional Share at a price of $0.75 until February 26, 2023, subject to an acceleration provision whereby if the Shares trade at a price of $1.00 or greater per Share for a period of 10 consecutive trading days after four months and one day from the closing of the private placement, the Company may accelerate the expiry of the Warrants by giving notice to the holders thereof, and, in such case, the Warrants will expire on the 30th day after the Company issues such notice. Finder's fees were paid in connection with the private placement to arm's length finders that consisted of cash commission in the total amount of $294,041.99. In addition, an aggregate of 528,194 Shares and 602,398 broker warrants (the

(Expressed in Canadian Dollars)

"Broker Warrants") have been issued to finders. The terms of the Broker Warrants are identical to the terms of the Warrants. The fair value of the Broker Warrants was determined to be $510,478 calculated using the Black-Scholes Option Pricing Model with the following assumptions: expected life of warrants – 2 years; expected volatility – 152.33%; expected dividend yield – 0%; and risk-free rate – 0.30%.

No capital activity was initiated during the year ended September 30, 2020.

(c) Stock Options

The Company has an incentive stock option plan under which it is authorized to grant options to executive officer, directors, employees and consultants enabling them to acquire up to 10% of the then issued and outstanding common shares of the Company. The exercise price is subject to a minimum $0.10 per option. The minimum exercise price of an option granted shall not be less than the discounted market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum of five (5) years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors in accordance with the rules and policies of the regulatory authorities.

The following summarizes the stock options activity during the period ended March 31, 2021 and the year ended September 30, 2020:

	March 31, 2021			September 30, 2020		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Balance , beginning of period	155,000	$	2.00	210,000	$	2.00
Granted	-	$	-	-	$	-
Expired	-	$	-	(55,000)	$	2.00
Balance, end of period	155,000	$	2.00	155,000	$	2.00

Expiry Date	**Number of Options Outstanding**	**Number of Options Vested**	**Number of Options Unvested**	**Exercise Price**	**Weighted Average Remaining Life**
July 21, 2021	155,000	155,000	-	$ 2.00	0.31

On July 21, 2019, the Company granted a total of 210,000 stock options to certain officers, directors and/or consultants of the Company exercisable at $2.00 for a period of 2 years. The fair value of the stock options was determined to be $320,064 calculated using the Black-Scholes Option Pricing Model with the following assumptions: expected life of options – 2 years; expected volatility – 166%; expected dividend yield – 0%; and risk-free rate – 1.43%. As at September 30, 2020, 155,000 stock options remain outstanding and exercisable.

(Expressed in Canadian Dollars)

(d) Warrants

Details of warrants outstanding as at March 31, 2021 and September 30, 2020 are as follows:

	March 31, 2021			September 30, 2020		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Balance , beginning of year	-	$	-	733,028	$	6.40
Issued	18,715,605	$	0.75	-	$	-
Expired	-	$	-	(733,028)	$	6.40
Balance, end of year	18,715,605	$	0.75	-	$	-

Expiry Date	**Number of Options Outstanding**		**Exercise Price**	**Weighted Average Remaining Life**
February 26, 2023	18,715,605	$	0.75	1.91

11. CONVERTIBLE DEBENTURES

During the year ended September 30, 2018, the Company received proceeds from a non-brokered private placement offering of convertible debentures (each a “Convertible Debenture”) of the Company totaling $150,000. The term of each Convertible Debenture matures 3 years from the date of issuance, carries an interest rate of 6% per annum, (interest paid upfront in advance) and is convertible to common shares of the Company at a conversion price of $10.00 per common share, (or at 10% below the market price, whichever is less, subject to exchange approval). The Convertible Debentures will be issued subject to regulatory approval. During the period ended March 31, 2021, the Company accrued $5,231 (2020 – $2,750) of interest related to the convertible debentures.

12. FINANCIAL INSTRUMENTS

Fair values

The company’s condensed interim consolidated financial instruments consist of cash, accounts payable, due to related parties, notes payable and proceeds from convertible debentures.

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair value of the Company's cash is classified as a Level 1 fair value measurement. The Company does not have any Level 2 or 3 fair value measurements.

As at March 31, 2021, the fair values of the Company's financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary exposure to credit risk is on its cash which is held in bank accounts. As most of the Company's cash is held by two banks, there is a concentration of credit risk. This risk is low and is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments. The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consists primarily of refundable government goods and services taxes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

Currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its ability to meet its short-term research and administrative expenditures by raising additional funds through share issuance when required. All the Company's financial liabilities have contractual maturities of less than a year or due on demand and are subject to normal trade terms. Working capital deficiency poses a liquidity risk unless the Company can monetize its intangible assets or acquire further equity or debt funding. The Company is exploring all opportunities for monetization of its assets and in acquiring further funding.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its intangible assets and to maintain flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company currently has no source of revenues, though it raises capital by obtaining equity financing, selling assets and/or incurring debt. The Company is primarily dependent on the capital markets as its source of operating capital and the Company's capital resources are largely determined by the strength of the markets and by the status of the Company's intangible asset progress in relation to these markets, and its ability to compete for investor support of its technical capability.

14. OTHER INCOME

On October 23, 2019, the Company was repaid $94,613 (US$71,100) pursuant to an agreement signed with Mag Board LLC in July 2016 whereby the Company entered into a Convertible Debenture ("CD") and loaned Mag Board LLC US$150,000 (the loan receivable had been considered impaired). The Company is considering converting the unpaid balance of the CD into shares of GDR Global, the firm who recently acquired controlling interest in MagBoard LLC. The paperwork for this transaction is currently under review by management.

15. COMMITMENTS

(a) On January 3, 2019, the Company entered into a technology IP acquisition agreement, as amended (the "IP Agreement") with 8200475 Canada Inc. ("Tech Magnesium"), granting the Company an exclusive license to use and an option to acquire a 100% ownership of the aluminothermic and silicothermic technology (the "Tech Mag Technology"), and agreeing to collaborate to finalize the development and commercialization of the Tech Mag Technology (the "Collaboration"). The option is exercisable on or before January 3, 2024. Specific acquisition payments could be triggered upon exercising of the option to acquire the Tech Mag Technology. During the Collaboration, the President of Tech Magnesium will provide services to MOOI to further de-risk the magnesium metal processing technology. The significant terms of the IP Agreement are as follows:

- The Company must finance phase 1 which includes a lab-scale proof-of concept testing with thermodynamic modelling of the Tech Magnesium Technology on or before February 3, 2020 in order to retain the exclusive license option for this technology.

- The Company must finance phase 2 which includes design, construction and operation of a small-scale pilot test facility of the Tech Magnesium technology on or before January 29, 2023 in order to retain the exclusive license option for this technology.

- The Company must finance phase 3 which includes design, construction and operation of the first magnesium metal commercial module with a minimum of 5,000 tpa production capacity using Tech Mag Technology on or before January 3, 2024 in order to retain the exclusive license option for this technology.

During the year ended September 30, 2020, the Company provided confirmation that phase 1 has been completed and the intention to proceed with phase 2. The Company is presently pursuing the development of a technology through Tech Magnesium which constitutes expenses towards research and development. While it is the intention of the Company to develop an intangible asset, the intangible asset shall be created only after the completion of the technical pre-feasibility study. At this point in time it is not known how the intended intangible asset shall be in a position to generate probable future economic benefits. The development of the intangible asset shall depend upon the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset. The Company has yet to exercise the Option.

(b) On August 21, 2020, the Company entered into an agreement with COVEX Solutions Inc. ("COVEX") whereby Cover and COVEX would negotiate a 50/50 joint venture agreement. Pursuant the agreement, Cover will pay $1,200,000 ($75,000 paid) to earn 50% equity ownership of COVEX. The Company is currently in negotiations with COVEX on the terms of the definitive agreement.

16.SEGMENTED INFORMATION

The Company operates in one business segment being the industrial products and solutions company with all the assets located in Canada.

17. SUBSEQUENT EVENTS

On May 19, 2021, the Company announced it has entered into a letter of intent to acquire from Nifty Technologies Inc. (“Nifty”), its Flurbo technology. Nifty is a developer of solutions that facilitate tracking, trading, transacting, and borrowing against digital assets, all in a secured and transparent manner. Nifty has developed a technology known as Flurbo, for decentralized finance ("DeFi") applications.

Under the terms of the letter of intent, Cover will acquire a 100% interest in the Flurbo technology, the rights and ownership to use the name "Nifty Technologies", and the services of Flurbo's chief technology officer to manage the development of Flurbo. As consideration for the acquisition of Flurbo, Cover shall pay to the shareholders of Nifty (the "Vendors") the aggregate purchase price of $1,457,500 million (the "Purchase Price"). The Purchase Price shall be satisfied by the issuance of an aggregate of 5,500,000 common shares in the capital of Cover (each a "Consideration Share") at an attributed price equal to Cover's last private placement on February 12, 2021, being $0.265 per Consideration Share. In the event that Flurbo achieves a positive EBITDA within twenty-four (24) months from closing of the transaction, Cover will issue an additional number of shares equal to $3,500,000 at the time of such achievement (the "Performance Shares"). The Consideration Shares and Performance Shares will be issued to the Vendors on a pro-rata basis, and shall be subject to a four (4) month and one (1) day hold period. The Vendors are arm’s-length to one another. Upon closing, none of the Vendors will individually own 10% or more of the issued and outstanding shares of the Company on a non-diluted basis. The acquisition of Flurbo remains subject to the execution of a definitive agreement between Cover and the Vendors.

The acquisition of Flurbo is expected to constitute a "fundamental change" for Cover, as defined in the Canadian Securities Exchange (the "CSE") policies. Pursuant to CSE policies, the Company’s stock has been halted and will remain halted until all required documentation with respect to the transaction has been received by the CSE, and the CSE and applicable securities regulatory authorities are otherwise satisfied that the halt should be lifted. Without limiting the generality of the foregoing, the acquisition of Flurbo will require CSE and shareholder approval.

APPENDIX B

COVER TECHNOLOGIES INC.

Management's Discussion & Analysis
for the six-month period ended March 31, 2021

COVER TECHNOLOGIES INC.
(formerly Mag One Products Inc.)

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED MARCH 31, 2021

This Management Discussion and Analysis ("MD&A") of Cover Technologies Inc. (formerly Mag One Products Inc.) ("Cover" or the "Company") should be read in conjunction with the Company's condensed interim consolidated financial statements for the six months ended March 31, 2021 and the audited consolidated financial statements for the year ended September 30, 2020, together with the notes thereto. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All financial information in this MD&A have been prepared in accordance with IFRS. All dollar amounts included therein and in this MD&A are in Canadian dollars, the reporting and functional currency of the Company, except where noted. The MD&A contains information up to and including May 27, 2021 (the "Report Date").

FORWARD-LOOKING STATEMENT

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this MD&A may contain forward-looking statements relating to future opportunities, business strategies, mineral exploration, development and production plans and competitive advantages.

The forward-looking statements regarding the Company are based on certain key expectations and assumptions of the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, exchange rates, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms, the actual results of exploration and development projects being equivalent to or better than estimated results in technical reports or prior activities, and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of the Company consider these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect and such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward-looking statements, including among other things: inability of the Company to continue meeting the listing requirements of stock exchanges and other regulatory requirements, general economic and market factors, including business competition, changes in government regulations or in tax laws; general political and social uncertainties; commodity prices; the actual results of exploration, development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of, or estimates contained in, feasibility studies, pre-feasibility studies or other economic evaluations; and lack of qualified, skilled labour or loss of key individuals; as well as those factors detailed from time to time in the Company's interim and annual consolidated financial statements and management's discussion and analysis of those statements, along with the Company's annual information form, if any, all of which are filed and available for review on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list is not exhaustive.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MD&A are made as of the date of this MD&A and the Company does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

OVERVIEW

Cover was incorporated on June 18, 2007 in British Columbia, Canada and is currently active in BC and Québec. Activities in Québec are carried out through Cover's wholly-owned subsidiary, Mag One Operations Inc. ("MOOI"). During the year ended September 30, 2019, the Company ceased to carry on business through its Tennessee based 100% subsidiary NAMP LLC with effect from August 6, 2019. The Company's shares are currently traded on the Canadian Securities Exchange ("CSE") under the symbol "COVE" and are also listed on the Börse Frankfurt stock exchange ("Frankfurt") with the ticker symbol "304" and on the OTCBB symbol, "MGPRF". Cover has expanded its lines of business to include consumer and industrial disinfectant and cleaning solutions in addition to its magnesium technology. Using its game-changing technology, Cover aims to be the most environmentally friendly & sustainable producer of magnesium (Mg) metal, ultrapure Mg compounds, by-products and vertically integrated coproducts.

OVERALL PERFORMANCE

As at the Report Date, the Company changed its name from Mag One Products Inc. to Cover Technologies Inc. and completed the consolidation of its issued and outstanding common shares (each, a "Share") on the basis of one (1) post-consolidation Share for every twenty (20) pre-consolidation Shares (the "Consolidation"). Outstanding stock options were adjusted by the Consolidation ratio. All common shares and per common share amounts in these md&a have been retroactively restated to reflect the Consolidation.

Global Pandemic

In March 2020, the World Health Organization declared coronavirus Covid-19 a global pandemic. This contagious outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

<u>Magnesium Agreements</u>

In 2017, the Company entered into a purchase agreement ("SPA") with Dundee Sustainable Technologies Inc. ("DST") to purchase a Technical Report titled "Resource Estimation of the Nickel Content in Asbestos Mines Tailings (the "Tailings"), Thetford Mines, Québec, Canada" prepared by Systémes Geostat International (the "Technical Report"). The Company paid $5,000 and issued 40,000 common shares with a value of $9,000 pursuant to the SPA. The Company was to pay $20,000 and issue common shares of the Company with a value of $30,000 at the prevailing 20-day volume weighted average price upon the commencement of commercial production of product(s) by processing the Tailings on or before May 19, 2019. If the Company did not commence commercial production of product(s) by processing the Tailings on or before May 19, 2019, the Company was required to sell back the Technical Report for consideration of $1.00 to DST.

During the year ended September 30, 2020, the Company and its subsidiary, MOOI, sold back the Technical Report for $1.00 to DST and entered into a new agreement with DST to re-purchase the Technical Report. Pursuant to the new agreement, the Company must pay $5,000 or enter into a contract with a minimum value of $75,000 with DST for piloting the Company's magnesium oxide production technology at DST's facility on or before May 29, 2020. As at the Report Date, DST exercised its option to re-purchase the Technical Report.

In connection with the SPA, in 2017, the Company entered into an option agreement ("OA") with Asbestos Corp. Ltd. ("ACL"). Under the OA, the Company had an option to purchase up to 60 million tonnes of the Tailings (the "Option") on or before November 19, 2017. Pursuant to the OA, the Company paid $5,000 and issued 50,000 common shares of the Company with a value of $11,250. Upon exercise of the Option, the Company will be required to pay $100,000 and $1.00/tonne of Tailing used as a royalty and would have access to a minimum of five acres of land for the necessary plant and equipment. The OA was extended until June 30, 2019.

During the year ended September 30, 2020, the Company and its subsidiary, MOOI, entered into a new agreement with ACL whereby, the Company would have access to recover and process up to 60 million tonnes of Tailings located in Québec up to March 1, 2020. The new agreement will automatically be extended until March 1, 2022 if, prior to March 1, 2020, the Company provides ACL with notice in writing that it has completed a technical report on the Normandie Tailings pile in the form required pursuant to National Instrument 43-101. Pursuant to the agreement, the Company will pay ACL $1.00/tonne for the first 100,000 tonnes per year of Tailings taken by the Company, $1.50/tonne of Tailings above 100,000 tonnes per year and below 200,000 tonnes per year of Tailings. Payments will be due on or before March 31st for Tailings taken and processed in the preceding calendar year. Upon commencement of production, the Company will pay ACL a non-refundable deposit of $20,000. The Company provided ACL with the completed technical report of Normandie Tailings; therefore, the agreement has been extended to March 1, 2022.

During the year ended September 30, 2020, the Company terminated an agreement from 2018 between Mine Jeffrey Inc. ("Jeffrey") and Beausite Metal Inc. ("BMI") and entered into a processing agreement whereby Jeffrey and BMI have granted the Company and MOOI exclusive access to the Mine Jeffrey Serpentine Tailings project to recover up to 25 million tonnes of serpentine tailings and an option to acquire an additional 25 million tonnes for no additional consideration. The Company will have until November 30, 2024 to exercise the option to acquire the additional 25 million tonnes. The processing agreement acknowledged a $100,000 prepayment made during the year ended September 30, 2015 for the first 100,000 tonnes of tailings. The Company will pay $1.00/tonne of Tailings to be paid. Upon production being achieved, the per tonne rate will be subject to an annual increase on January 1st of each subsequent calendar year in accordance with the Consumer Price Index published by Statistics Canada.

The Company, through its subsidiary, MOOI, entered into a technology IP acquisition agreement, as amended (the "IP Agreement") with 8200475 Canada Inc. ("Tech Magnesium"), granting the Company an exclusive license to use and an option to acquire a 100% ownership of the aluminothermic and silicothermic technology (the "Tech Mag Technology"), and agreeing to collaborate to finalize the development and commercialization of the Tech Mag Technology (the "Collaboration"). The option is exercisable on or before January 3, 2024. Specific acquisition payments could be triggered upon exercising of the option to acquire the Tech Mag Technology. Due to confidentiality concerns, these specific acquisition payments have been redacted. During the Collaboration, the President of Tech Magnesium will provide services to MOOI to further de-risk the Mg metal processing technology. The significant terms of the IP Agreement are as follows:

- The Company must finance phase 1 which includes a lab-scale proof-of concept testing with thermodynamic modelling of the Tech Magnesium Technology on or before February 3, 2020 in order to retain the exclusive license option for this technology.

- The Company must finance phase 2 which includes design, construction and operation of a small-scale pilot test facility of the Tech Magnesium technology on or before January 29, 2023 in order to retain the exclusive license option for this technology.

- The Company must finance phase 3 which includes design, construction and operation of the first magnesium metal commercial module with a minimum of 5,000 tpa production capacity using Tech Mag Technology on or before January 3, 2024 in order to retain the exclusive license option for this technology.

During the year ended September 30, 2020, the Company provided confirmation that phase 1 has been completed and the intention to proceed with phase 2. The Company is presently pursuing the development of a technology through Tech Magnesium which constitutes expenses towards research and development. While it is the intention of the Company to develop an intangible asset, the intangible asset shall be created only after the completion of the technical pre-feasibility study. At this point in time it is not known how the intended intangible asset shall be in a position to generate probable future economic benefits. The development of the intangible asset shall depend upon the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset. The Company has yet to exercise the Option.

On January 6, 2020 the Company and its subsidiary, MOOI, entered into a definitive earn-in and operating agreement (the “BLR Agreement”) with Blue Lagoon Resources Inc. (”BLR”). Pursuant to the BLR Agreement, BLR may acquire up to a 70% equity interest in the Company by purchasing up to $5.25 million of shares of the Company.

BLR may acquire an additional 20% interest in the Company, subject to the Company obtaining shareholder approval, by making an additional payment of $1.5 million within 24 months of the closing date. Closing of the transaction is subject to various conditions, including completion of due diligence investigations, receipt of all necessary corporate and regulatory approvals, and compliance with stock exchange requirements.

During the period ended March 31, 2020, the Company received a deposit of $50,474 from BLR. On April 15, 2020, the Company and BLR signed a mutual termination and release agreement (“MTRA”) to terminate the BLR Agreement between the parties. A term of the MTRA specifies that the Company has no obligations to BLR. The Company recognized a gain on contract cancellation of $50,474

<u>Disinfectant and Cleaning Solution Agreements</u>

During the year ended September 30, 2020, the Company signed a license and commercialization Agreement (“License Agreement”) with Vera CLS Pty Ltd. (“Vera”) whereby the Company will receive an exclusive license for the manufacturing, commercialization and distribution of all products (“Vera Products”). The Vera Products are an all natural, plant-based disinfectant and cleaning solutions. The Company’s exclusivity encompasses the United States of America, including the District of Columbia and all territories and possessions of the United States of America, including Puerto Rico and the U.S. Virgin Islands, Canada and all of its provinces and territories, and the European Union (“the Territory”).

The Agreement provides the Company with exclusive licensing and commercialization rights in this Territory to August 18, 2025 with 2 subsequent 5-year exclusive renewal terms.

The Company’s obligations are a one-time payment of $100,000 and an ongoing royalty of gross sales for the five-year period of the agreement. The one-time payment will be paid out on the following schedule:

- $25,000 within 14 days from the signing of the agreement (paid);
- $25,000 within 14 days after the initial payment;
- $25,000 within 90 days of the last payment; and
- $25,000 within 90 days of the last payment

There is no obligation to pay the total unpaid part of the one-time payment if the License Agreement is terminated prior to the due date for a particular unpaid payment related thereto. Year one of the agreement provides for a royalty of 8% of the gross sales. Year two of the agreement provides a guaranteed royalty to Vera of $120,000 or 8% of gross sales – whichever is the greater of the two. Years three to five require a minimum growth of 10% year over year in royalty payments. The royalty payments will be paid within 30 days at the end of each quarter. As at September 30, 2020, the Company recognized an impairment of intangible asset of $25,000.

In connection with the Licensing Agreement the Company signed a business development agreement with VEMO Biotech Limited (the "VEMO"). VEMO will be leading the management, marketing, operations, staffing, sales and channel development for the Vera Products that the Company has secured for Canada, United States, Italy, Spain, Portugal and Austria. The term of the business development agreement is twenty-four months with automatic annual renewal unless otherwise stated in writing 30 days prior to anniversary date. The agreement specifies a monthly retainer of $10,000 as well as Gross Over-Ride Royalty (GORR) / commission on the sales of the Company's Vera Products to be determined shortly. The GORR / commission will be in line with industry standards.

The execution of the contract and engagement is subject to (a) the completion of the Company's due diligence and signing of the Master Licensing / Distribution Agreement with Vera Products, and (b) the completion of regulatory approvals for the sale and distribution of Vera Products as an all natural, green product in its contracted territories. The VEMO agreement was terminated on October 1, 2020 with no amounts owing or accrued.

<u>Investissement Québec ("IQ")</u>

The Company entered into an agreement with IQ on November 11, 2016, whereby IQ had agreed to provide a non-refundable contribution of $495,000 (the "Grant") to the Company (The "Agreement"). The conditions governing the Grant were as follows:

a) The Company would have to incur expenditures of $627,750 on the development of the Pilot Plant for processing of Magnesium (the "Project");

b) The Company was to complete the Project by March 31, 2017 (the "Project Completion Date");

c) The Company must establish itself within the MRC des Sources region for a minimum period of two (2) years from the date of receipt of the last payment from IQ;

d) The Company was to carry out and maintain its operations related to the Project, including significant development or improvement work on the design, development activities of the product/process, and not move this work outside the municipality of the MRC des Sources, for a period of 36 months from the date of receipt of the last payment from IQ;

e) IQ reserved its rights to call back the entire grant up until the Project is completed in the event of the following:

   - The Project not being completed by the Project Completion Date;

   - The Company abandoning the Project; - The Company divests of the Project or commits any act that leads to insolvency or bankruptcy or creditor protection;

   - The Company defaults under any loans, if any;

   - The Company makes material changes to the disbursement plans for the Company without consent of IQ; - Commit a fraud or false statement; and

- Default in any other provision of the Agreement.

As at September 30, 2020 the Company has met all the requirements noted above except for Point (c). The Company was granted an extension to February 28, 2018 to complete the Project and received the last installment of the Grant on February 14, 2018. IQ has therefore accepted that the Project has been completed including the compliance of points (a), (b) and (e) above.

According to the Agreement, as per Point (c) above, the Company was required to operate out of the municipality of MRC des Sources for a period of at least 2 years following the last installment from IQ. However, the Company has yet to set up an establishment in MRC des Sources. In this regard, the Company received a notice on October 5, 2018, from IQ informing the Company on its failure to establish a place of business in MRC des Sources. Due to the default in meeting the Agreement requirements, the grants have been reflected as a demand liability incurring interest at 4% per annum. During the period ended March 31, 2021, the Company accrued $9,749 (2020 - $9,878) in interest on the Grant from the date of notice of default.

National Research Council Canada (“NRC”)

On January 31, 2019, the Company entered into a contribution agreement with NRC whereby NRC will pay the Company 50% of the eligible expenditures incurred by the Company for its feasibility project related to magnesium production up to a maximum of $98,400, with a maximum claim amount of $30,000 for the period from April 1, 2018 to March 31, 2019 and $68,400 for the period from April 1, 2019 – March 31, 2020. The funds received for this grant represent compensation for costs already incurred, and as such have been recognized in profit or loss on a systematic basis based on the related expenses. During the three months ended March 31, 2021, the Company incurred a total of $Nil (2020 - $239,037) of eligible expenditures related to the project. A total of $Nil (2020 - $98,400) has been recognized into profit and loss as an offset to research expense.

Government of Canada via Natural Resources Canada - Clean Growth Program (the “CGP”)

On April 20, 2020, the Company entered into a contribution agreement whereby CGP will pay the Company 50% of eligible expenditures incurred by the Company for its front-end engineering design study for a high purity magnesium oxide demonstration plant using serpentinite tailings, up to a maximum claim amount of $1,666,500 ($12,246 claimed). Pursuant to the agreement, the CGP will withhold 10% from each payment until the Company has completed the project to the satisfaction of the Minister and has submitted all reports of which $1,225 was recorded in other receivables (received subsequent to the period ended March 31, 2021). The funds received for this grant represent compensation for costs already incurred, and as such have been recognized in profit or loss on a systematic basis based on the related expenses. During the period ended March 31, 2021, the Company incurred a total of $Nil of eligible expenditures related to this project. A total of $Nil has been recognized into profit or loss as an offset to research expense.

Convertible Debentures

During the year ended September 30, 2018, the Company received proceeds from a non-brokered private placement offering of convertible debentures (each a “Convertible Debenture”) of the Company totaling $150,000. The term of each Convertible Debenture matures 3 years from the date of issuance, carries an interest rate of 6% per annum, (interest paid upfront in advance) and is convertible to common shares of the Company at a conversion price of $10.00 per common share, (or at 10% below the market price, whichever is less, subject to exchange approval). The Convertible Debentures will be issued subject to regulatory approval. During the period ended March 31, 2021, the Company accrued $5,231 (2020 – $2,750) of interest related to the convertible debentures.

Notes Payable

During the period ended March 31, 2021, the Company received unsecured loan proceeds of $25,000 (September 30, 2020 - $215,000) from arms-length parties. During the period ended March 31, 2021 the Company issued 500,000 commons shares in settlement of notes payable amounting to $210,000 and reduced the interest owing by $7,993 to arms-length parties.

Principal $	Interest Rate %	Due Date	Principal and interest owing as at March 31, 2021 $	Principal and interest owing as at September 30, 2020 $
5,000	8	November 18, 2020	-	5,347
50,000	8	November 22, 2020	-	53,430
30,000	8	January 30, 2021	32,101	30,905
20,000	5	February 18, 2021	-	20,591
10,000	5	February 18, 2021	-	10,308
50,000	5	September 7, 2021	-	50,151
75,000	5	September 14, 2021	-	50,110
240,000			32,101	220,842

During the year ended September 30, 2020, a former director and former chairman, and a family member assigned amounts outstanding of $293,294 to an arms-length party. During the period ended March 31, 2021 the Company issued 566,667 commons shares in settlement of notes payable amounting to $238,000. As at March 31, 2021, the Company had arms-length loans outstanding of $57,929 (September 30, 2020 - $296,014). These loans are unsecured, non-interest bearing and due on demand.

Technology

Québec Pilot Plant Study

The Company, through its subsidiary, MOOI, is in the process of implementing two flagship projects which we believe will position the Company and the Danville Québec region as an emerging player in the global Mg metal, high purity magnesium oxide (HP MgO) and high purity amorphous silica (HP Silica) marketplace. The first project involves the development of a modular 30,000 tonnes per annum (tpa) HP MgO & 33,000 tpa HP Silica Production facility using Serpentinite Mine Tailings as the feed source. The second project will transform the HP MgO into primary Mg metal and a high value saleable by-product using 5,000 tpa aluminothermic reduction modules.

The Company's pathway to commercialization involves building a modular 30,000 tpa high purity magnesium oxide (MgO) and amorphous silica production facility followed by 5,000 tpa Mg metal production modules. Subsequent modules will be financed from operating revenues until the Company is producing 1 million tpa of Mg metal.

To get to this stage the Company needs to complete the MgO/Silica pilot plant efforts to garner offtake agreements and begin engineering of this facility. As outlined above, Government support for this work was grant from the Canadian Government's Clean Growth Program. In parallel the Company will advance the Tech Magnesium metal production process.

The Company has already received significant support from both Provincial (Québec) and Federal governments due to its sustainable approach to Mg production, namely low CO2 footprint, zero waste and rapid commercialization via its modular expansion business strategy. The government recognizes the importance of long term, environmentally sustainable projects that will generate significant jobs and sustainable growth. The Company's modular expansion technology is expected to result in essentially zero waste being produced as it produces Mg metal, Mg products and by-products from above ground, already-mined serpentinite tailings.

In Southern Québec, there are significant amounts of tailings piles as a result of over one hundred years of asbestos mining operations. The Company has, however, secured access to 110 million tonnes of tailings (50M at Jeffrey Mines and 60M at the former Thetford Mines locations).

In 2017, the Company commissioned an NI 43-101 "Summary of Current and Scientific Technical information" report entitled "Magnesium Bearing Waste Dumps Recycling Project". The Jeffrey Mine extracted more than 100M tonnes of chrysotile fibre from 1886 to 2012. Historical data further indicate that 188M tonnes of tailings were produced from the Jeffrey Mine and about 25% of that quantity has been made available under contract for the Company's project. The available tailings, as a result of this historical production, are ready for production in their present state and are not toxic. Using the available data, it is not possible to calculate a Mineral Resource nor a Mineral Reserve for this project. The two independent authors, namely Jacques Marchand, a Québec Ingénieur Géologue Conseil and Qualified Person per NI 43-101 and Christian Derosier a Professional Geologist, MSc, DSc and Qualified Person per NI 43-101, are however able to disclose a potential quantity and grade, expressed as ranges, of a target for further exploration. Specifically, the northern part of the Company's Jeffrey tailings averages 38.5% +/-0.3% MgO (23.2%+/-0.3% Mg) and is considered representative of the 81,000 m3 sampled in 2015. The volume of tailings that are therefore available to the Company range from 0.08 to 18M cubic meters of chrysotile with a grade range of 26 to 41% MgO. Considering the compositional homogeneity of the tailings that were generated from the mine production rejects along with the historical tailings testing that was carried out by the Centre de Recherche Minerale (CRM), the independent authors believe that the average compositional grades might be representative of the 3M m3 of the shallower part of the tailings but caution that this is not a mineral resource estimate. The authors confirm that the potential quantity and grade discussed above is conceptual as there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource. The basis for the determination of the potential volume is based on surveying done in 2015 and before. A resource/reserve calculation might be useful but in the authors' opinion will not add material value to the project.

The historical NI 43-101 Technical Report prepared by Systémes Geostat International Inc. on October 15, 2007 called: Resources Estimation of the Nickel Content in Asbestos Mines Tailings, Thetford Mines, Québec, Canada estimated 162.7M of Measured and Inferred tailings containing 37% MgO and 246.3M tonnes of inferred resources containing 38.6% MgO. Given that a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, The Company cannot treat the historical estimate as current mineral resources or mineral reserves. For this reason, Blue Lagoon Resources (BLR) engaged JPL GeoServices, a Val-d'Or-based, independent geological consulting firm to author a National Instrument 43-101 (NI 43-101) Technical Report (the "Report") on the Normandie Tailings Project (the "Project") that was mandated to include a Mineral Resource Estimate ("MRE") for the Normandie tailings site, situated on the Property. As of the Report Date, the Company and its subsidiary, MOOI, sold back the 2007 Technical Report to DST

JPL GeoServices issued an NI 43-101 Technical report issued on February 7, 2020 in the name of BLR and the Company on a portion of the Normandie tailings with the result being in line with what the Company had anticipated. Specifically, these tailings have a measured and indicated Mineral Resource Estimate (MRE) of 26.6M tonnes and a grade of 37.1% MgO. The Company could ultimately use its novel modular high purity MgO technology to build 10 plants, each producing 30,000 tonnes per year (TPY) of MgO and 33,000 TPY of amorphous silica for 30 years without having to seek another stockpile. The intended plant site is ideally located in a mining friendly jurisdiction that is close to road, rails, skilled labour and markets and boasts one of the lowest electricity costs in North America.

RESEARCH AND DEVELOPMENT

The Company has already demonstrated that its MgO manufacturing processes has the potential to produce greater than 98 weight percent pure MgO, as well as a saleable byproduct. It was also shown that the silicon contained within the serpentinite tailings that the Company is using, can be transformed into high-value amorphous silica (SiO2), which has potential commercial applications in the construction industry as a replacement for silica fume in concrete and in the rubber tire industry as a replacement for carbon black. Not only does the high-purity MgO have a significant commercial market, it will also serve as a feedstock for the Company's innovative aluminothermic reduction process to produce magnesium metal. Furthermore, the iron residue from the magnesium recovery process contains nickel, which has potential value for existing nickel recovery operations. Therefore, the Company's chlorine-free approach to transform serpentinite tailings into high purity MgO and SiO2 is targeted to be essentially a near 'zero discharge' operation.

In November 2018, the Company's subsidiary, MOOI, entered into a new contract with the University of Sherbrooke (UdS) for $12,500 to continue to advance and optimize the Company's novel hydrometallurgical process for producing high purity MgO, high-value amorphous silica and extract value from the iron-nickel residue.

Also, during this period, MOOI entered into a new contract with the Centre d'Innovation Minière de la MRC des Sources (CIMMS) for $102,300 to further optimize the pilot plant operating conditions to achieve maximum purity, minimize operating costs and better understand the parameters around Mg salt evaporation.

As previously mentioned, the purpose of the pilot plant, designed to process 100 kg/hr of serpentinite tailings, is two-fold: (1) to gather engineering data in order to design, build and operate a commercial 30,000 metric tonne per year MgO production facility in Southeastern Québec; and, (2) to generate MgO and amorphous silica for qualification purposes by third parties, including potential customers, for establishing offtake agreements.

In March 2019, the Company announced that the National Research Council of Canada (NRC), under its Industrial Research Assistance Program (IRAP) will support, on a cost-sharing basis MOOI project entitled "Feasibility – Magnesium Production using Aluminothermic Reduction Process" (the "Project"). Specifically, the NRC contract is supporting work done by Thermfact (Arthur Pelton, a thermodynamic expert), Kingston Process Metallurgy (KPM) and Glencore XPS (both metallurgical testing labs) in which NRC would cover 50% of eligible costs up to an amount of $98,400 (received). The goal of the project is to demonstrate the feasibility or producing Mg metal via aluminothermic reduction (Tech Magnesium process). The project completed at the end of January 2020 and consists of thermodynamic modelling, bench-scale experiments, process optimization and techno-economic analysis. Magnesium yields, along with by-product quality will be monitored at various processing conditions. With positive results stemming from the Project, the Company began work towards the pilot-scale demonstration phase in February 2020. The final phase of development will be the design, construction and start-up of the Company's first 5,000 tpa primary Mg metal module. Additional modules will then be brought online to coincide with market demand. As part of this effort, MOOI has entered into contracts with Thermfact on an hourly basis, while contracts with KPM and Glencore XPS are for a fixed fee. As an aside, the Company chose to move the work to Glencore XPS after it was deemed that the KPM furnace was too small to adequately demonstrate the Mg metal production process.

Disinfectant and Cleaning Solutions

During the year ended September 30, 2020, the Company partnered with Vera to distribute the Vera Products into Canadian, US and various European union markets. The Vera Products are safe, multi-purpose highly potent plant-based disinfectants, sanitizers, concentrates and other solution formulations with a unique paramagnetic efficacy that both cleans and starves bacteria from multiplying on surfaces. The Transformative Cleaning® power of Vera Products cleans soiled and dirty surfaces, including fabrics, through its deep penetrating cleansing action that dissolves and purges soiling and contaminants. Effective cleaning with Vera Products offers 99.9% of hygiene requirements and is most suited in quelling the transmutation of bacteria into superbugs that host viruses, including coronaviruses, that have been increasingly occurring in today's world and environment.

The Company has been working to establish a bottling and manufacturing facility. During the year ended September 30, 2020, the Company was negotiating the final terms of a lease agreement whereby they would pay $5,000.00 per month in lease payments. The term of the lease is 36 months with an option to renew 30 days before the end of the lease or an option by either party to terminated with 60 days' written notice. The facility would consist of a 2.5-liter bottle line of concentrate which is shipped with empty spray bottles with a capacity to fill 20 x 2.5-liter bottles per minute. Running at full capacity, the Company could bottle up to 28,800 bottles per day. The Company would also be able to "blow" and label its own bottles at the facility, thereby allowing an all-in-one shop for manufacturing, bottling and ready-to-ship finished products. Additionally, the facility would provide up to 1,000 sq/ft of storage for finished products. During the period ended March 31, 2021, the Company terminated the letter of intent to negotiate the lease agreement.

The Company has entered into an agreement with COVEX Solutions Inc. ("COVEX") whereby Cover and COVEX would negotiate a 50/50 joint venture agreement. Pursuant the agreement, Cover will pay $1,200,000 ($75,000 paid) to earn 50% equity ownership of COVEX. The Company is currently in negotiations with COVEX on the terms of the definitive agreement.

COVEX has developed, and is continuing to develop, a number of science backed, trade-secret formulations that are ready for commercialization and in accordance with Health Canada's monograph for hard surface disinfectants. The Company believes these novel disinfectant formulations are effective against a broad spectrum of pathogenic organisms and viruses, and which may provide residual antibacterial and antiviral activity on surfaces to which it has been applied. COVEX formulations making disinfectant claims have been submitted to Health Canada and US EPA licensing bodies for approval. COVEX has secured manufacturing agreements with site licensed facilities in both Canada and the USA with capacity in excess of 2 million liters per month.

PROPOSED TRANSACTIONS

In the normal course of business, management actively targets sources of additional financing through alliances with financial entities or other business and financial transactions which would assure continuation of the Company's operations and technology programs.

On May 19, 2021, the Company announced it has entered into a letter of intent to acquire from Nifty Technologies Inc. ("Nifty"), its Flurbo technology. Nifty is a developer of solutions that facilitate tracking, trading, transacting, and borrowing against digital assets, all in a secured and transparent manner. Nifty has developed a technology known as Flurbo, for decentralized finance ("DeFi") applications.

Under the terms of the letter of intent, Cover will acquire a 100% interest in the Flurbo technology, the rights and ownership to use the name "Nifty Technologies", and the services of Flurbo's chief technology officer to manage the development of Flurbo. As consideration for the acquisition of Flurbo, Cover shall pay to the shareholders of Nifty (the "Vendors") the aggregate purchase price of $1,457,500 million (the "Purchase Price"). The Purchase Price shall be satisfied by the issuance of an aggregate of 5,500,000 common shares in the capital of Cover (each a "Consideration Share") at an attributed price equal to Cover's last private placement on February 12, 2021, being $0.265 per Consideration Share. In the event that Flurbo achieves a positive EBITDA within twenty-four (24) months from closing of the transaction, Cover will issue an additional number of shares equal to $3,500,000 at the time of such achievement (the "Performance

Shares"). The Consideration Shares and Performance Shares will be issued to the Vendors on a pro-rata basis, and shall be subject to a four (4) month and one (1) day hold period. The Vendors are arm's-length to one another. Upon closing, none of the Vendors will individually own 10% or more of the issued and outstanding shares of the Company on a non-diluted basis. The acquisition of Flurbo remains subject to the execution of a definitive agreement between Cover and the Vendors.

The acquisition of Flurbo is expected to constitute a "fundamental change" for Cover, as defined in the Canadian Securities Exchange (the "CSE") policies. Pursuant to CSE policies, the Company's stock has been halted and will remain halted until all required documentation with respect to the transaction has been received by the CSE, and the CSE and applicable securities regulatory authorities are otherwise satisfied that the halt should be lifted. Without limiting the generality of the foregoing, the acquisition of Flurbo will require CSE and shareholder approval.

SUMMARY OF QUARTERY RESULTS

The following table sets out selected quarterly financial information derived from the Company's unaudited condensed consolidated interim financial statements, for each of the eight recently completed quarters, which have been prepared in accordance with IFRS.

Period	Total revenue $	Loss and comprehensive loss for the period $	Net loss per share, basic and fully diluted $
March 31, 2021	-	(1,343,490)	(0.13)
December 31, 2020	-	(135,583)	(0.05)
September 30, 2020	-	(162,491)	(0.05)
June 30, 2020	-	(101,834)	(0.04)
March ,31 2020	-	(132,019)	(0.05)
December 31, 2019	-	(77,002)	(0.03)
September 30, 2019	-	(613,278)	(0.24)
June 30, 2019	-	(142,891)	(0.06)

The Company's performance for the six months ended March 31, 2021 and March 31, 2020 was as follows:

	Three months ended March 31, 2020 $	Three months ended March 31, 2021 $	Change $
Revenue	-	-	-
Loss from operating expenses	(1,480,586)	(212,345)	1,268,241
Loss and comprehensive loss	(1,479,073)	(214,489)	1,264,584
Cash used in operating activities	(1,315,207)	(71,779)	1,243,428
Cash provided by financing activities	4,530,958	40,120	4,490,838

Key changes in the primary components of the loss and comprehensive loss for the six months ended March 31, 2021 compared to the six months ended March 31, 2020 were as follows:

1. General and Administration increased by $1,177,801 due to the increase in business operations resulting from the completion of the private placement in February 2021.
    - Management fees are related to the executive officers of Cover and MOOI. The increase of $77,000 was due to the hiring of external consultants.

- Investor communication increased by $708,938 due to the Company increasing promotional activities and receiving a credit during the period ending March 31, 2020.
- Professional and consulting fees increased by $523,822 due to the engagement of additional consultants to support the increase in business operations.
- Research are development activities in Québec that cannot be capitalized and expensed which decreased by $118,703 due to decreased activities resulting from the Covid-19 pandemic.

2. Interest expense increased by $3,577 due the interest accrual on notes payable.

3. On October 23, 2019, the Company was repaid $94,613 (US$71,100) pursuant to an agreement signed with Mag Board LLC in July 2016 whereby the Company entered into a Convertible Debenture ("CD") and loaned Mag Board LLC US$150,000 (the loan receivable had been considered impaired). The Company is considering converting the unpaid balance of the CD into shares of GDR Global, the firm who recently acquired controlling interest in MagBoard LLC. The paperwork for this transaction is currently under review by management.

4. On February 26, 2021, the Company completed a private placement for net proceeds of $4,505,958.

The Company's performance for the three months ended March 31, 2021 and March 31, 2020 was as follows:

	Three months ended March 31, 2021 $	Three months ended March 31, 2020 $	Change $
Revenue	-	-	-
Loss from operating expenses	(1,344,032)	(134,753)	1,209,279
Loss and comprehensive loss	(1,343,490)	(132,019)	1,211,471

Key changes in the primary components of the loss and comprehensive loss for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 were as follows:

1. General and Administration increased by $1,228,045 due to the increase in business operations resulting from the completion of the private placement in February 2021.
   - Management fees are related to the executive officers of Cover and MOOI. The decrease of $4,000 was due to an executive officer of MOOI provided a discount on the management fees from past services.
   - Investor communication increased by $688,461 due to the Company increasing promotional activities.
   - Professional and consulting fees increased by $558,536 due to the engagement of additional consultants to support the increase in business operations.
   - Research are development activities in Québec that cannot be capitalized and expensed which decreased by $7,316 due to decreased activities resulting from the Covid-19 pandemic.

2. Interest expense decreased by $1,016 due the reversal interest accrual on notes payable that were settled by way of shares for debt.

3. On February 26, 2021, the Company completed a private placement for net proceeds of $4,505,958.

DISCUSSION OF OPERATIONS

Research expenses:

	Six months ended March 31, 2021 $	Six months ended March 31, 2020 $
Technical retainership	-	80,050
Pilot plant testing	-	71,054
Government assistance	-	(32,401)
	-	118,703

The Company has been incurring research expense in relation to laboratory testing and thermodynamic modelling work with the goal of proving the economic viability of producing Mg metal from high purity MgO via aluminothermic reduction. In addition, the Company has continued its development efforts to further optimize and demonstrate its ability to produce high purity MgO and amorphous silica. As part of this work, the Company engages technical consultants and in 2019 engaged some engineering and environmental consultants to support its efforts. During the period ended March 31, 2021, the Company has cut back on the research expenses for 2021 due to lower availability of funds resulting from the Covid-19 pandemic. The Company, however, has been able to retain key technical personnel to provide continuity to the various activities.

LIQUIDITY

The Company started the 2020 fiscal year with a working deficiency of $1,754,083, as at March 31, 2021, the Company had a working capital of $1,840,713. The change in the working capital of $3,594,796 was primarily due to the closing of the private placement for gross proceeds of $4,800,000 and general and administrative costs of $1,461,377 and interest expense of $19,209.

Recent developments in the capital markets have restricted access to debt and equity financing for many companies. As the Company has no significant income, cash balances will continue to decline as the Company utilizes these funds to conduct its operations, unless replenished by capital fundraising or debt.

	March 31, 2021	September 30, 2020
Working capital (deficiency)	$ 1,840,713	$ (1,754,083)
Deficit	$ (15,166,855)	$ (13,686,270)

CAPITAL RESOURCES

The Company has not yet realized profitable operations and it has relied on non-operational sources of financing to fund operations. The ability of the Company to achieve its objectives, meet its ongoing obligations and recover its investments in granted and pending patents, and other assets will depend on management's ability to successfully execute its business plan, achieve profitable operations and obtain additional financing, if or when required. There is no assurance that these initiatives will be successful.

RELATED PARTY DISCLSOURES

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

Compensation paid to key management and directors

The following are the remuneration of the Company's related parties:

	March 31, 2021	March 31, 2020
	$	$
Executive Director and CEO	90,000	-
Non-executive Director for consulting fees	18,000	-
Company controlled by the President of MOOI for consulting fees and research expenses	(28,000)	80,000
A company controlled by a non-executive Director for consulting fees	-	5,000
	80,000	85,000

Due to related parties

	March 31, 2021	September 30, 2020
	$	$
Executive Director and CEO	79,000	70,000
Company related to Executive Director and CEO	10,000	6,000
Non-executive Directors	21,000	36,840
Company controlled by the President of MOOI	55,188	76,000
	165,188	188,840

Included in accounts payable and accrued liabilities as at March 31, 2021 is $4,725 (September 30, 2020 - $4,725) owing to a company controlled by the former CFO.

Except for the notes payable to related parties below, all amounts owing to related parties do not bear any interest, are unsecured and due on demand.

During the year ended September 30, 2019, the Company received $137,944 and repaid $168,000 to the former Chairman and / or a company controlled by the former Chairman in the form of Units as follows:

a) issued 64,000 units of the Company in settlement of notes payable to the Director and former Chairman of the Company amounting to $128,000. The fair value of the units issued was estimated at $128,000.

b) issued 20,000 units of the Company in settlement of notes payable to a company owned by the Director and former Chairman of the Company amounting to $40,000. The fair value of the units issued was estimated at $40,000, including the shares valued at $40,000. The warrants were assigned no value under the residual method.

During the year ended September 30, 2020, a former director and former chairman, and a family member assigned the collective amounts outstanding of $293,294 to an arms-length party. This included the $100,000 subscriptions received in advance from the former director and former chairman in connection with the units at $0.20 per unit that had not yet been issued. The balance was recorded as a current liability during the year ended September 30, 2019.

During the year ended September 30, 2020, the Company entered into a loan agreement with a director of the Company whereby the director agreed to lend $16,000. The loan is unsecured, due on January 29, 2021 and bears interest at 8% per annum. During the period ended March 31, 2021, the Company issued 47,404 common shares in settlement of the loan agreement amounting to $19,910. As of March 31, 2021, the Company had a balance payable including principal and interest of $Nil (September 30, 2020 - $18,840).

During the period ended March 31, 2021, the Company repaid $118,000 to the Director and CEO, and Director as follows:

a) issued 238,095 common shares of the Company to the Director and CEO of the Company amounting to $100,000.

b) issued 42,857 common shares of the Company to the Director of the Company amounting to $18,000.

OUTSTANDING SHARE DATA

(a) Authorized

Unlimited number of Class A shares without par value.
Unlimited number of non-voting Class B preferred without par value.

(b) Common Shares - issued and outstanding

Changes in issued share capital and equity reserves for the period ended March 31, 2021 were as follows:

1. A total of 1,411,684 common shares were issued at $0.42 to settle $592,910 debt owing.

2. The Company completed a non-brokered private placement of 18,113,207 units (the "Units") at a price of $0.265 per Unit for gross proceeds of $4,800,000. Each Unit consists of one common share (a "Share") in the capital of the Company and one share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one additional Share at a price of $0.75 until February 26, 2023, subject to an acceleration provision whereby if the Shares trade at a price of $1.00 or greater per Share for a period of 10 consecutive trading days after four months and one day from the closing of the private placement, the Company may accelerate the expiry of the Warrants by giving notice to the holders thereof, and, in such case, the Warrants will expire on the 30th day after the Company issues such notice. Finder's fees were paid in connection with the private placement to arm's length finders that consisted of cash commission in the total amount of $294,041.99. In addition, an aggregate of 528,194 Shares and 602,398 broker warrants (the "Broker Warrants") have been issued to finders. The terms of the Broker Warrants are identical to the terms of the Warrants. The fair value of the Broker Warrants was determined to be $510,478 calculated using the Black-Scholes Option Pricing Model with the following assumptions: expected life of warrants – 2 years; expected volatility – 152.33%; expected dividend yield – 0%; and risk-free rate – 0.30%.

The table below presents the Company's common share data:

	Number as at the Report Date	Number as at March 31, 2021
Common Shares, issued and outstanding	22,805,163	22,805,163
Stock options convertible into common shares	155,000	155,000
Warrants	18,715,605	18,715,605

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a
going concern in order to pursue the development of its intangible assets and to maintain flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company currently has no source of revenues, though it raises capital by obtaining equity financing, selling assets and/or incurring debt. The Company is primarily dependent on the capital markets as its source of operating capital and the Company's capital resources are largely determined by the strength of the markets and by the status of the Company's intangible asset progress in relation to these markets, and its ability to compete for investor support of its technical capability.

FINANCIAL INSTRUMENTS

Fair values

The company's financial instruments consist of cash, accounts payable, due to related parties, notes payable and proceeds from convertible debentures.

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: - Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: - Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: - Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair value of the Company's cash is classified as a Level 1 fair value measurement. The Company does not have any Level 2 or 3 fair value measurements.

As at March 31, 2021, the fair values of the Company's financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary exposure to credit risk is on its cash which is held in bank accounts. As most of the Company's cash is held by two banks, there is a concentration of credit risk. This risk is low and is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments. The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consists primarily of refundable government goods and services taxes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

Currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its ability to meet its short-term research and administrative expenditures by raising additional funds through share issuance when required. All the Company's financial liabilities have contractual maturities of less than a year or due on demand and are subject to normal trade terms. Working capital deficiency poses a liquidity risk unless the Company can monetize its intangible assets or acquire further equity or debt funding. The Company is exploring all opportunities for monetization of its assets and in acquiring further funding.

RISK AND UNCERTAINTIES

Risk is inherent in all business activities and cannot be entirely eliminated. Our goal is to enable the Company's business processes and opportunities by ensuring that the risks arising from our business activities, the markets and political environments in which we operate are mitigated. The risks and uncertainties described in the MD&A for the year ended September 30, 2020 are considered by management to be the most important in the context of the Company's business and are substantially unchanged as of the Report Date. Those risks and uncertainties are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

CHANGES IN ACOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

During the six months ended March 31, 2021, there were no changes to the Company's significant accounting policies, nor any new accounting policies adopted.

The preparation of the Financial Statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from management's best estimates as additional information becomes available.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the Financial Statements are described in note 2 of the Company's audited consolidated financial statements for the year ended September 30, 2020.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis. Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. Management will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional personnel in order to provide greater segregation of duties. Since there is insufficient work at this time to warrant the additional costs, management has chosen to disclose the potential risk in its filings and proceed with increased personnel only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by management of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.