CEMATRIX CORPORATION

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2023

April 10, 2024

Table of Contents

Definitions

Unless otherwise defined, capitalized terms used herein have the respective meanings set forth below.

"**ABCA**" means the *Alberta Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

"**AIF**" means this Annual Information Form;

"**Backlog**" means the total of the projects that have been contracted plus contracts in process. Contracts in process are projects that where the contract is in process, or the project has been awarded by way of letter of intent or other written form of award.

"**Board**" means the board of directors of the Corporation;

"**Common Shares**" means common shares in the capital of the Corporation;

"**Corporation**" or "**CEMATRIX**" means CEMATRIX Corporation;

" **EBITDA**" means earnings before interest, taxes, depreciation, amortization;

"**Adjusted EBITDA**" means EBITDA further adjusted for non-cash items including non-cash stock-based compensation, non-cash unrealized foreign exchange gains (loss), non-cash revaluation of derivatives, non-cash revaluation of earn-out liabilities; and gains (losses) on the acquisition or dispositions of assets and business acquisition costs;

"**Omnibus Equity Incentive Plan**" means the equity incentive plan of the Corporation as constituted on the date hereof;

"**Option**" means an option to acquire a Common Share granted pursuant to the Option Plan;

"**Option Plan**" means the stock option plan of the Corporation as constituted on the date hereof;

"**RSU**" means a restricted share unit granted pursuant to the Omnibus Equity Incentive Plan;

"**Sales Pipeline**" means the total forecasted dollar amount of future projects which the Corporation has been contacted by engineering firms, owners, or contractors for design assistance (including thermal modelling), a quote, or both. The sales pipeline does not include the dollar value of contracted sales; or the dollar value of sales, where volumes have not been determined by the designers; or the dollar value of sales that have been lost for various reasons, including that the proposed project has been cancelled, lost to an alternative product or lost to a competitor. The sales pipeline is updated when changes in the status of a project becomes known to CEMATRIX. The sales pipeline includes projects from the current and future years and grows with the continued acceptance of the product throughout the Corporation's market territory, which currently includes Canada and the U.S.;

"**Shareholder**" means a holder of Common Shares;

"**TSXV**" means the TSX Venture Exchange Inc.; and

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

Interpretation

Words importing the singular include the plural and vice versa and words importing a gender include any genders. A reference to an agreement means the agreement as it may be amended, supplemented, or restated from time to time.

Unless otherwise indicated, all references to "dollars" and the symbol "$" are to Canadian dollars. The information in this AIF is given as of December 31, 2023, unless otherwise indicated.

Forward looking statements

This AIF contains forward-looking information within the meaning of applicable securities laws. Forward-looking information and statements are based on the best estimates available to the Corporation at the time and involve known and unknown risks, uncertainties or other factors that may cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results, or developments that the Corporation anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by such terms as "forecast", "future, "may", "will", "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "pro-forma" or other comparable terminology.

Forward-looking information presented in such statements or disclosures may relate, among other things, to:

- sources of revenue and income;
- forecasts of capital expenditures and sources of financing thereof;
- the Corporation's expectations regarding its business, financial condition and results of operations;
- the Corporation's expectations surrounding the ongoing effect of the COVID-19 pandemic on the timing of contracted and verbally awarded projects;
- the release of new project opportunities into the North American market and the conversion of the Corporation's Sales Pipeline into projects;
- the Corporation's ability to quote and win contract tenders and attract customers;
- the Corporation's marketing and business plans and short-term objectives;
- the Corporation's anticipated trends and challenges in the markets in which it operates;
- the Corporation's ability to hire, train and retain the personnel it requires to undertake its business;
- the Corporation's ability to continue to develop and safeguard proprietary technologies and market share;
- future legislative and regulatory developments, domestic and foreign, in which the Corporation conducts business or may conduct business in the future;
- the Corporation's regional expansion and potential expansion by way of acquisition in North American markets;
- the Corporation's strategic relationships with third parties; and
- governance of the Corporation as a public company.

Forward-looking information is based on assumptions, including assumptions concerning availability of capital resources, business performance, market conditions, and customer demand and is subject to a number of risks, uncertainties and other factors, which may be beyond the Corporation's control, which could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Factors of uncertainty and risk that might result in such differences include risks associated with the Corporation's growth strategy; failure to complete transactions or realize anticipated benefits; dependence on key personnel; constraints on marketing strategies; lower than anticipated customer demand; fraudulent or illegal activity by the Corporation's employees, contractors or consultants; damage to the Corporation's reputation; operating risk and insurance coverage; negative operating cash flow; management of growth; credit, liquidity, and interest rate risks; future capital requirements; conflicts of interest; changes in laws, regulations and guidelines which may increase the costs of compliance; product recalls and liability; litigation, regulatory or agency proceedings, investigations and audits; inventory and wholesale pricing; commodity pricing; fluctuation in currency and prices of raw materials; source of supply; environmental and employee health and safety regulations; competition; business interruptions; changes to Backlog; protection of intellectual property; risks related to U.S. and other international activities and trade regulations and potential challenges to international operations and expansion to other jurisdictions; risks related to security clearances; systems, facilities and data failure, interruption and breach; obligations associated with being a public issuer as well risks relating to the ownership of the Corporation's shares such as potential share price volatility and no assurance of an active market for the Corporation's shares. A description of the risks affecting the Corporation's business and activities appears in greater detail under the heading "Risk Factors".

Although the Corporation believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on these forward-looking statements and information because the Corporation can give no assurance that they will prove to be correct. There can be no guarantee that the results or developments that the Corporation anticipates will be realized or, if substantially realized, that they will have the expected consequences or effects on the Corporation's business, financial condition or results of operation.

The forward-looking statements and information contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements and information included in this AIF are made as of the date hereof and the Corporation undertakes no obligation to publicly update such information to reflect new information, subsequent events or otherwise, except as required by applicable securities law.

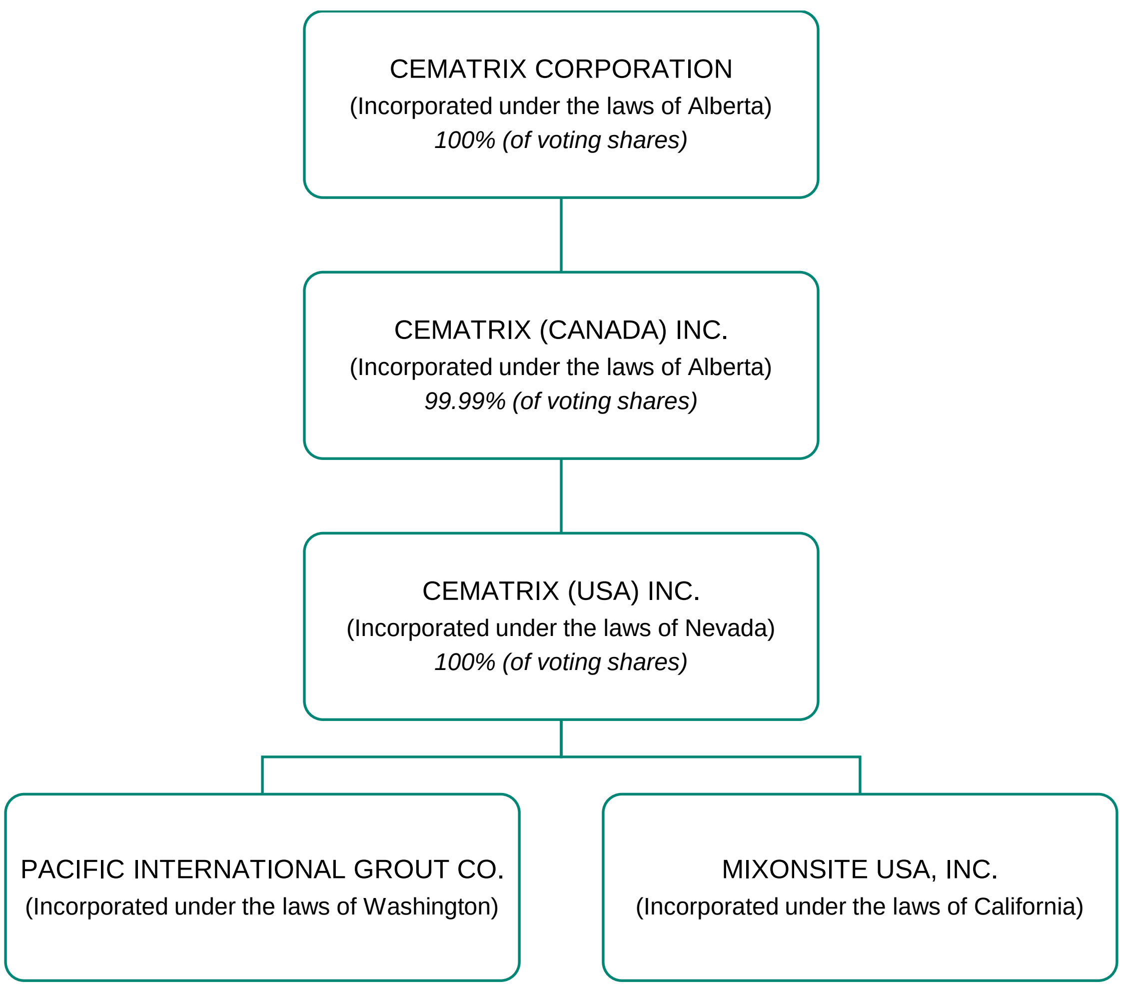
Corporate structure

Name, address and incorporation

CEMATRIX Corporation was incorporated March 22, 2005 pursuant to the ABCA as Moonshoot Capital Corp. The articles of the Corporation were amended May 31, 2006 to change the name of the Corporation to CEMATRIX Corporation. The common shares of CEMATRIX ("**Common Shares**") are publicly traded on the TSXV under the symbol "CVX.V". The Common Shares are also traded on the over-the-counter market ("OTC") in the United Sates under the symbol "CTXXF". The Corporation's head office is located at 9727 - 40 Street SE, Calgary, Alberta, Canada.

Intercorporate relationships

Through its material operating subsidiaries CEMATRIX (Canada) Inc. ("**CEMATRIX Canada**"), CEMATRIX (USA) Inc. ("**CEMATRIX USA**"), MixOnsite USA Inc. ("**MOS**"), and Pacific International Grout Co. ("**PIGCO**"), the Corporation is an on-site manufacturer and supplier of cellular concrete products with applications in numerous infrastructure construction-based markets throughout North America. The following is a summary of the current corporate structure:



General development of the business

Business overview

CEMATRIX was originally incorporated to develop cellular concrete for use in Canada as a lightweight insulating material for building and infrastructure applications. The initial focus was on oil and gas infrastructure applications, but after the collapse of the financial markets in the fall of 2008, which was followed by the collapse of oil and gas prices in 2014 and 2015, the CEMATRIX business evolved to focus on the development of infrastructure markets across Canada and, to a lesser extent, the United States.

Development of these infrastructure markets involved years of educating the engineering and construction industry and the applicable government ministries relating to infrastructure and transportation about the benefits of cellular concrete for various construction applications. The process required various provincial and state approvals, which have taken years and are ongoing in some provinces, and product validation (placing the product in the ground for up to five years to prove its benefits). As the Canadian infrastructure market developed, CEMATRIX had the unique opportunity to acquire two of the four leading suppliers of cellular concrete in the United States, where the market is estimated to be approximately ten years ahead of the Canadian market.

Today, CEMATRIX, through its operating subsidiaries, is focused on the sale and onsite production of cellular concrete for various applications, primarily in the geotechnical field, in multiple construction markets throughout North America.

CEMATRIX Canada, with its head office in Calgary and regional operations in Montreal, Toronto, Calgary, and Vancouver, focuses on the Canadian low density (lighter than water) cellular concrete markets. MOS is headquartered in Chicago, Illinois and is focused on the low density cellular concrete markets throughout the United States, particularly in the Midwest, Northeast and Central regions. PIGCO is headquartered in Bellingham, Washington, and is focused on the high density (heavier than water) cellular concrete markets throughout the United States and Canada and has also completed a number of international projects. PIGCO's equipment is specifically designed for the heavy density tunnel grouting market but can also be used for large geotechnical infrastructure applications.

Three-year history

2021

On March 18, 2021, the Corporation completed a public offering using a short form prospectus in the amount of $23 million in gross proceeds. The planned use of funds is to further support the strategic plan to grow the Corporation organically via regional expansion in the US and to grow the Corporation through accretive acquisition opportunities.

During the year, the Corporation made a number of changes to the Board of Directors. On April 27, 2021, the Corporation added Ms. Anna Cuglietta to the Board of Directors. On October 1, 2021, the Corporation announced the retirement of Mr. Dan Koyich from the Board of Directors and the addition of Mr. John Kim to the Board of Directors. The addition of Ms. Cuglietta and Mr. Kim add more diversity to the Board and bring new expertise to the Board that will be essential as we continue to execute on our strategic plan.

On August 2, 2021, the Corporation renewed its Joint Marketing and Cement Supply Agreements with Lafarge Canada ("the Lafarge Agreements"). The renewal of the Lafarge Agreements is important in the development of the Corporation as the partnership with Lafarge helps to ensure security of supply for cement and assists in the market validation of the Corporation's products.

2022

On February 7, 2022, the Corporation announced a new $5 million secured revolving credit facility with the Canadian Imperial Bank of Commerce ("CIBC"). The new credit facility is secured by the Corporation's accounts receivables and inventory along with general security agreement on the Corporation's assets subject to previous priority lenders. The new credit facility is to be used for working capital purposes as the Corporation continues to grow in the future.

On February 15, 2022, the Corporation announced a (up to) $4 million USD strategic investment commitment to Glavel Inc ("Glavel"). The strategic investment will be made in phases subject to certain conditions being met. The first phase of the investment was made on the same day, with the Corporation investing $560 thousand USD and received in return 265,061 in preferred shares of Glavel. The Preferred shares are convertible into common shares of Glavel at any time on a one for one basis.

Glavel is a foam glass aggregate producer based in Burlington, Vermont, and is the first in North America to electrify the production process. The result is a low embodied carbon building ultra light weight fill material with insulating properties which is ideal for the infrastructure, residential and commercial construction markets. Glavel's product is derived entirely from recycled glass which would otherwise be sent to landfill. These products have a wide range of applications and complement the cellular concrete market due to their lightweight and insulating properties. Current applications include but are not limited to infrastructure applications such as the replacement of EPS Blocks (large blocks of rigid insulation) in overpass, bridge and retaining wall backfill projects and as an insulating sub-base for use over weak or unstable soils and for building applications including lightweight roof systems, under-slab insulation systems and building components.

On May 2, 2022, the Corporation announced that it had made additional investment in Glavel as part of its $4 million USD strategic investment commitment to Glavel Inc. CEMATRIX advanced USD $625 thousand USD to Glavel for the deposit on equipment to be used to expand production at Glavel's manufacturing facility in Vermont. The investment was by way of a Convertible Note (the "Note") and will bear at 8% interest rate per annum. The Note matures April 20, 2025 and is convertible at $2.11 per share into 295,648 common shares of Glavel at any time up to maturity. In addition, CEMATRIX also advanced $500 thousand USD to Glavel in return for an additional 236,518 Preferred Shares. These funds were advanced as additional working capital. The Preferred shares are convertible into common shares of Glavel at any time on a one for one basis. Upon completion of these two additional investments Jeff Kendrick, President and CEO, of CEMATRIX was provided a seat on the three-member Board of Directors of Glavel.

On August 3, 2022, the Corporation announced that it had executed a $20.3 million contract that had been previously announced as a $15.7 million contract in process awarded by letter of intent in 2020. This project is the largest project in the history of the Corporation to be contracted. The contract is with Balfour Beatty Infrastructure Inc. ("BB") for the backfill of several new overpasses along a new freeway corridor in North Carolina. The U.S. 70 Design-Build Project was awarded to MOS by BB and is the largest known cellular concrete infrastructure project ever awarded in North America.

On December 12, 2022, the Corporation announced the strengthening of its sales team by way of three key hires in 2022 with a focus on sales growth and regional sales expansion throughout North America's infrastructure markets. The Corporation recognizes the importance of building a robust sales team. The sales team will continue to add to the sales pipeline and convert the growing pipeline into projects. It is a priority for CEMATRIX to bolster its sales efforts in key markets as it continues to educate end users and promote its cellular concrete solutions across North America.

2023

On May 2, 2023, the Corporation announced it was uniquely positioned for 2023 and beyond as this is the first time in the Company's history that the portfolio is composed of a number of larger projects, which is a significant change compared to year's past. Improved economics will be realized on these larger projects as being on site for longer periods of time generates additional savings and enhanced margins due to reduced mobilization and demobilization, labor efficiencies and reliability of cement supply.

On November 27, 2023, the Corporation announced the promotion of Randy Boomhour to Chief Operating Officer effective January 1, 2024. Mr. Boomhour is currently the Chief Financial Officer of the Corporation and General Manager of CEMATRIX Canada. The Corporation has retained a recruiting firm and the search for a new CFO is underway. Mr. Boomhour will maintain his current CFO responsibilities until a new CFO is hired. During his time with the Corporation as CFO, Mr. Boomhour supported Jeff Kendrick, President and CEO of the Corporation to spearhead the capital raising efforts, simplify and de-lever our balance sheet, and strengthen the relationships with key stakeholders. In addition to his CFO responsibilities, Mr. Boomhour successfully guided the Canadian Division this year, a year in which this Division is realizing significant revenue growth from recent years including a return to profitability.

Over 2023, the Company was successful in securing numerous contracts, both with new clients and existing clients. The announcements for the additions to backlog were $5.3 million on February 13, 2023, $4.5 million on March 22, 2023, $6.0 million on April 26, 2023, $5.9 million on June 6, 2023, $5.9 million on July 19, 2023, $10.7 million on August 30, 2023, $6.5 million on October 16, 2023, $7.1 million on October 25,2023, and $5.2 million on November 15, 2023.

A record fourth quarter caps off best year in the history of the Company. In the fourth quarter of 2023, the Company's revenue was $19.6 million versus $8.3 million in the same quarter last year, which represents a 136% increase. Full year revenue for 2023 was $53.3 million versus $29.0 million for 2022, which represents an 84% increase year over year. Current year revenue of $53.3 million is higher than any other full year in the history of the Company and was achieved through organic growth. All of the Company's financial KPI's have improved in 2023 including revenue, gross margins, gross margins percent, operating income, adjusted EBTIDA, and cashflow.

Description of business

Through its operating subsidiaries, the Corporation uses specially developed equipment and proprietary or exclusive use foaming agents to produce and place cellular concrete on site for various applications in the infrastructure, industrial and commercial construction markets.

Cellular concrete is a cement slurry-based product that is combined with air to create a lightweight, foamed concrete-like material with thermal insulating properties and moderate structural strength. It is generally lighter than water and is used as a replacement for rigid and other types of insulation and as a lightweight fill or a void fill, with uses including tunnel grouting.

The Corporation's current market focus is the construction markets for infrastructure across Canada and the United States. The infrastructure market sector primarily relates to work on public construction projects funded by provincial, state and federal governments. Examples of this type of work include the insulation of road bases; permafrost protection under buildings, utilities, roads and runways; the insulation of shallow utility installations; industrial and commercial floor bases; the replacement of weak and/or unstable soils and soils subject to seismic conditions; mechanical stabilized earth ("**MSE**") panels and retaining wall backfill; grouting; and tunnel backfill. Work in this sector generally requires prior approval of the

Corporation's various products and applications by provincial / state, and sometimes local regulatory bodies.

The Corporation's revenues are realized as the Corporation places the cellular concrete on site, generally calculated based on the number of cubic metres of cellular concrete that is placed.

The Corporation's sales generally consist of "one-off" transactions, with little carryover in sales from year to year with a single customer, except when the Corporation has repeat business related to a specific application or location, or a project sufficiently large in scope to continue from one period into the next. The goal is to expand these repeatable and predictable sources of revenue.

The Corporation generally undertakes work as a sub-contractor to various engineering and construction firms that have been awarded the prime contract from the owner of a particular project.

The Corporation has two distinct types of production equipment: dry mix and wet mix. Dry mix production equipment is fully automated and the cement slurry mixing process is done directly from cement and other dry powders. This equipment permits the production of high hourly volumes. The dry mix system enables the Corporation to improve end product quality, while reducing unit cost by up to 20% compared to the wet mix process. However, the dry mix process is typically not suitable for small- to medium-sized projects because of the higher costs associated with mobilization and greater onsite space requirements.

Wet mix production equipment is partially automated, and the pre-designed cement slurry used is delivered by a ready mix provider. This equipment has lower hourly production capacity and is suitable for small volume projects or projects where there is no space for the larger dry mix units.

The Corporation's fleet of production equipment currently consists of ten dry mix units that produce up to 230 cubic metres of cellular concrete per hour, and seven wet mix units capable of producing 50 to 100 cubic metres per hour of cellular concrete. The fleet is mobile and can be moved to any project in North America.

The value proposition CEMATRIX offers to customers is:

> "CEMATRIX cellular concrete saves significant time and money for its customers and provides a better overall long-term construction solution."

The Corporation's value proposition is supported by: acquired and internally developed technologies that enable the production of high volumes of consistent, low density insulating cellular concrete; ownership of a proprietary foaming agent and the right to use other commercial foaming agents; proprietary material mix design expertise; additive technologies developed by PIGCO; technical support for thermal and structural design to assist engineering firms in the design of applications for cellular concrete; and internally designed and constructed specialty equipment for the production of cellular concrete, which includes the specialized tunnel grouting equipment developed by PIGCO. The Corporation protects these technologies through trade secrets and the separation of knowledge between departments and staff.

Over the years the Corporation has invested in additional staff and equipment to prepare for what management believes will be a significant increase in annual sales, as the Corporation's product reaches the 'tipping point' for a number of applications. Tipping point refers to the point in time where customers decide that they will use the Corporation's product, as opposed to alternative products, for various applications (i.e. all overpass/bridge abutment work, or all MSE panel backfill or all road, highway, and runway applications over weak, frost prone, or seismic prone soils, etc.). Revenue from oil and gas applications has not rebounded as related construction in that sector has been lower than in the past. The Corporation is now working towards the tipping point for various infrastructure applications. The cost of this investment, in terms of additional staff and equipment, has impacted the financial results over the past few years. However, this investment is expected to help position the Corporation to achieve sales growth and to leverage economies of scale achieved with the acquisitions of MOS and PIGCO in the U.S.

Growth strategy

The Corporation's growth strategy is based on our strategic plan and includes the following elements:

- **Organic growth:** Due to the early market stage of most of the applications available for cellular concrete, particularly in Canada, CEMATRIX and its operating subsidiaries will focus on organic growth through continued education of engineers, construction companies, and government-run transportation departments on the significant benefits of cellular concrete versus legacy products the Corporation's products will replace;
- **Regional expansion:** The Corporation is focused on the U.S. market as it is significantly larger than the Canadian market and the market acceptance of the product is more advanced;
- **Acquisitions:** Identification and pursuit of strategic acquisition opportunities that are accretive and have strategic value. Potential acquisitions targets include other cellular concrete companies, foam companies, other light weight fill companies, or other building materials technology companies;
- **Strategic alliances:** Development of new strategic alliances and strengthening existing relationships, such as the current strategic alliance with Lafarge.

Industry trends

Management believes there is a continuing trend in the construction industry toward the use of cellular concrete to replace legacy products for various construction applications. CEMATRIX Canada has been the only major cellular concrete company developing the Canadian market and did not start this development until the early 2000s. The U.S. geotechnical market is generally thought to have commenced in the mid-1980s with the completion of a significant project in California.

This trend is confirmed by the national specification that has developed in the U.S., as well as the increased number of cellular concrete projects being tendered in the U.S. on a daily basis and is highlighted by the number and size of projects tendered on an annual basis in the U.S. market. In 2020, the Corporation was awarded two of the largest cellular concrete projects ever tendered in the U.S. One project was for USD $12.3 million ($15.7 million) and the second was for USD $23.5 million USD ($29.9 million).

Intangible properties

The Corporation has a number of trade secrets related to material mix designs, foaming agents, additives, processing equipment and applications engineering, none of which have been patented but are critical to the operation of the business.

Competitive conditions

CEMTATRIX and its operating subsidiaries face two types of competition: the legacy products that CEMATRIX's cellular concrete will replace, and cellular concrete from other suppliers.

Competitive legacy products include expanded polystyrene ("EPS") blocks (large blocks of rigid insulation), rigid insulation, sheets of industrial insulation, concrete and steel pile construction, other lightweight aggregates and traditional grouts. It is important to note that CEMATRIX's cellular concrete does not normally replace regular concrete, because the structural properties of cellular concrete differ from those of traditional concrete. Overall, cellular concrete has significant advantages over legacy products. These advantages include its self-levelling characteristics, greater strength and durability, and the fact that it is comparatively environmentally friendly to some of the alternatives and significantly quicker to place. Typically, the all-in-installed costs for cellular concrete are lower than the legacy alternatives.

In Canada, there are presently very few cellular concrete suppliers and currently none are capable of producing high volumes of quality cellular concrete on a consistent, cost-effective basis. A high-volume producer is understood as one that can produce a minimum of 100 cubic yards per hour, or 1,000 cubic yards per day. This criterion was established in the U.S. markets by engineers and specifiers. In the U.S., there are hundreds of small volume producers focused on the lightweight floor and roofing deck markets. These are markets the Corporation does not pursue. There are several larger cellular concrete competitors suppliers in the U.S., that the Corporation is aware of, capable of producing cellular concrete at high volumes.

New equipment

In 2015/2016, CEMATRIX Canada developed, constructed and introduced a cellular concrete processor capable of producing higher quality cellular concrete of greater strength than its competition. Additionally, it was developed to eliminate expensive and lower quality 'ready mix' slurry, which is the main input in the Corporation's wet mix production units. Since the introduction of this advanced cellular concrete processor, the Corporation has worked to perfect its design and capabilities. The Corporation intends to introduce this new equipment across North America over the next five years. The cost to build / purchase one of these units is approximately $1.5 million.

The Corporation's current equipment produces a high-quality product and its seasonally adjusted production capacity is greater than 2.6 million cubic yards, which could produce a theoretical $230 million in annual sales without additional equipment.

The Corporation purchased two new dry mix production units in 2023. The two new dry mix units were constructed using the most current technology available and further add to our competitive advantage. The Company took possession of the first unit in 2023 and is expected to take delivery of the second unit in Q1 2024.

Components

Approximately 60-65% of the Corporation's cellular concrete costs are for cement or ready-mix slurry, which is only purchased as it is being used for production and not inventoried, except to the extent that a silo is filled the day prior to it being used in the production of cellular concrete. There is a risk of cement shortages, which has happened in the past, but the risk is partially diminished by strategic alliances the Corporation has formed with cement suppliers such as Lafarge Holcim.

The other key component in the Corporation's cellular concrete production is foaming agent. CEMATRIX has its own proprietary foaming agent and relies on two other US based suppliers of foaming agent to reduce the risk of a cut-off or supply shortage. Most of the Corporation's foaming agents have been approved in jurisdictions where it is required by applicable department of transportation authorities or are in the process of being approved.

Seasonal cycles

Generally, the season for CEMATRIX's cellular concrete follows the construction market in North America. That construction season in Canada and the northern U.S. is much shorter than in the southern U.S. Certain applications, like tunnel grouting, which is done underground, are not affected by seasonal limitations. In addition, like regular concrete, cellular concrete can be placed in the offseason provided there is proper hoarding and heating to enable the cellular concrete to adequately cure.

Employees

As of December 31, 2023, CEMATRIX and its operating subsidiaries had 65 full-time employees, 30 of whom were located in Canada. The number of employees generally increases during the peak construction season. The increase in employees compared to the previous year is in the sales, sales support and business development functions as the Corporation dedicates more resources to increasing sales.

Facilities

In 2016 the Corporation, through its subsidiary MOS, signed a five-year lease ending August 31, 2023 in the Greater Chicago area, with no renewal options for approximately 50% of a 5,650 square foot facility including warehouse space plus 66,373 square feet of fenced yard. The Corporation renewed this lease for an additional two years with the new term ending in August 2025.

In 2019 the Corporation, through its subsidiary PIGCO, signed a five-year lease ending September 30, 2024 in Bellingham, WA with a five-year renewal option for 15,000 square feet including warehouse space, plus a fenced yard. The Corporation is expected to renew this lease as well when it comes due.

In 2019 the Corporation, through its subsidiary CEMATRIX Canada, signed a five-year lease ending December 31, 2024 in Calgary, with two five-year renewal options for 11,480 square feet, including warehouse space plus a fenced yard. In early 2024, the Corporation exercised its option to renew the lease for an additional 5 years with the new term ending in March 2030.

In 2023, the Corporation, through its subsidiary CEMATRIX Canada, extended an existing lease through to August 31, 2025 in the Greater Vancouver area for 2,144 square feet of office and warehouse space. CEMATRIX Canada has also entered into a short term lease (renewed annually) for a small warehouse facility in the Greater Toronto Area to support operations in Eastern Canada.

Risk factors

Cement and ready-mix supply

The main input into cellular concrete is cement or ready mix (premixed cement power with water). North American cement manufacturers have been dramatically impacted by global pandemic supply chain issues. These issues were not specific to a single supplier but were an industry wide problem and accordingly attempting to switch suppliers was not a possible solution. As a result, unlike in the years previous, CEMATRIX was not always able to get the cement it required to produce cellular concrete when it was needed. When there are industry wide challenges with respect to cement supplier this can cause significant delays for CEMATRIX where we can not produce cellular concrete. This situation may also result in customers looking for alternative products to cellular concrete to complete a project which results in lost revenue for the Corporation.

Supply chain challenges

CEMATRIX has historically been insulated from supply chain disruptions. However, in recent past the Corporation experienced some challenges in its supply chain, mainly driven by the COVID pandemic and the resulting impact on global supply chains. These supply chain challenges were exacerbated in some jurisdictions by extreme weather, labour disputes, and in the case of global commodities geopolitical crisis. To date the impacts of these supply chain challenges have been primarily increasing prices which as a result is increasing our cost of sales. In some cases, these increases can be passed along to customers and in other cases of firm commitments it results in reduced margins. Security of cement supply is our number one priority with respect to our supply chain.

Staffing requirements

Our industry, our product, our equipment, and our workforce is very specialized which can make finding and retaining staff more challenging. Given the uniqueness of CEMATRIX product and the proprietary nature of some of our equipment finding and retaining our skilled work force is a key risk that we closely monitor and manage. Our past acquisitions and recent growth has enabled CEMATRIX to allocate underutilized operating and technical staff resources between its operating subsidiaries, subject to the limitation created by cross border issues. The Corporation is seeing significant wage inflation for all roles consistent with the increasing inflation.

Inflation & interest rates

Inflation is now a concern due to the impacts of the many government programs and the associated spending to fund them which has created large government deficits in almost every jurisdiction. At the national level, this has resulted in increases to the money supply as well to fund some of these programs. The net result has been significant inflationary pressures on all parts of our business and in particular on wages. The Corporation is managing this risk by passing along, to the extent possible, the increased costs to its customers.

Most central banks are combatting inflation by raising interest rates. Rising interest rates will increase the Corporation’s interest costs as a portion of its debt is subject to floating interest rates. The Corporation continues to pay down debt each year which reduces the impact of rising interest rates. In addition, the Corporation has a portion of its debt, specifically equipment and truck financing, with fixed rate interest rates which are not subject to changes in interest rates.

Project scheduling

The Corporation has no control over the timing of contracted projects. Delays are common in the construction industry, particularly in the initial start dates. Delays in contracted work can occur at any time. Furthermore, delays in projects can also result in scheduling issues that could prove costly to the Corporation or result in the Corporation missing financial projections. The risks associated with scheduling changes will be an ongoing issue for the Corporation.

Increasing cement commodity prices

In previous years the Corporation has experienced significant increases in the cost of its key raw materials, cement and fly ash. To date, the Corporation has been able to pass a significant portion of these price increases on to its customers. There is no certainty that this practice will continue, in which case this would reduce the Corporation’s gross margin on sales. The Corporation is currently working towards reducing risk by developing equipment that will eliminate the need to rely on higher priced Ready-Mix products for its raw material supply for its projects.

Access to capital

CEMATRIX is currently very well-funded with a strong balance sheet and large cash position. The Corporation is actively searching for opportunities to invest this cash in accretive acquisitions that fit its strategy and in new equipment / regional expansion. In 2022, the Corporation completed a $5 million credit facility with the CIBC to provide further financial flexibility (amended to $3.0 million in 2023). Beginning in the last half of 2021 (and continuing) the overall capital markets for micro-cap companies (like CEMATRIX) has retreated and as a result Management’s assessment is that it would be significantly more difficult to raise capital in 2022. As a such, there is no guarantee that the Corporation will continue to have access to additional capital or be able to raise capital in the capital markets which may impair the ability of the Corporation to grow.

Potential volatility of share price

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control, including, but not limited to, the following: (i) actual or anticipated fluctuations in the Corporation's quarterly results of operations; (ii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Corporation; (iii) recommendations by securities research analysts; (iv) issuances or anticipated issuances of additional securities by the Corporation; (v) departure of executive officers and other key personnel of the Corporation; (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors; and (vii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Corporation's industry or target markets.

Financial markets have historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these and other related factors may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, the trading price of the Common Shares may be materially adversely affected.

No assurance of active market for shares

The Common Shares have been listed on the TSXV since April 24, 2006. There can be no assurance that an active and liquid market for the Common Shares will be maintained. If an active public market is not maintained, the holders of the Common Shares may have difficulty selling such shares.

Global financial conditions

Global financial conditions have always been subject to volatility. This volatility may impact the ability of the Corporation to obtain equity or debt financing in the future and if obtained, on terms favourable to the Corporation. Increased levels of volatility and market turmoil can adversely impact the Corporation's operations and the value and price of the Common Shares could be adversely affected.

Future sales of shares by existing shareholders

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares. Although the Common Shares held by certain of the Corporation's Shareholders are subject to lock-up agreements imposed by the agents in connection with the brokered financings, the agents may waive the provisions of these agreements and allow these Shareholders to sell their Common Shares at any time. There are no pre-established conditions for the grant of such a waiver by the agents, and any decision by them to waive those conditions may depend on a number of factors, including market conditions, the performance of the Common Shares in the market and the Corporation's financial condition at that time. If restrictions in such lock-up agreements are waived, additional Common Shares will be available for sale in the public market, subject to applicable securities laws and stock exchange requirements, which could reduce the market price for Common Shares.

Dilution of shareholders of the Corporation

The Corporation is authorized to issue an unlimited number of Common Shares for the consideration and on those terms and conditions as shall be established by the board of directors of the Corporation without Shareholder approval, subject to applicable securities laws and stock exchange requirements. The Corporation's Shareholders have no pre-emptive rights in connection with such further issuances. The Corporation has outstanding options, warrants and other securities convertible into Common Shares which, if exercised or converted would result in dilution. See heading "Issued Securities" for further details.

Publication of inaccurate or unfavourable research and reports

The trading market for Common Shares relies in part on the research and reports that securities analysts and other third parties choose to publish about the Corporation. The Corporation does not control these analysts or other third parties. The price of Common Shares could decline if one or more securities analysts downgrade the Common Shares or if one or more securities analysts or other third parties publish inaccurate or unfavorable research about the Corporation or cease publishing reports about the Corporation. If one or more analysts cease coverage of the Corporation or fail to regularly publish reports on the Corporation, the Corporation could lose visibility in the financial markets, which in turn could cause the Common Share price or trading volume to decline.

Global pandemics

The world, markets and business, including the sales and operations of the Corporation were significantly affected by the COVID-19 pandemic that started in 2020 and tapered off in 2022. Although the Corporation's business was considered essential, which enabled construction projects on which the Corporation has contracted to continue, the contracted projects were subject to significant and sometimes ongoing delays as it takes the Corporation's customers, mainly general contractors, longer to complete stages of a project that must be completed before the Corporation can manufacture and place its product on site.

In prior years, the Corporation has experienced project delays due to pandemic related health measures lasting weeks and in some cases months, which has significantly affected the Corporation's projected sales in those years.

It is not possible for the Corporation to accurately predict when and how the next global pandemic will occur but it is clear that if and when it does in the future, that a global pandemic will have significant impact on the Corporation.

Liquidity, cash flow and debt covenants

As at December 31, 2023 the Corporation was in compliance with all of its debt covenants under its operating line credit facility with the CIBC and in compliance with its covenant for loans with the BDC. As an early stage growth company with a history of losses in previous years, there is no guarantee that in the future the Company will be in compliance with its debt covenants. Historically, both the CIBC and the BDC have provided a covenant waiver, once again there is no guarantee that in the future that the Company's lenders will continue to provide covenant waivers. The Corporation has never missed a payment to a financial institution and has significant cash resources in place to repay the loans if necessary.

Earnout

An earnout calculation associated with the PIGCO transaction remains in place until the end of December 2023. The Corporation currently has sufficient cash resources in place to pay an any future earnout amounts that may become due, although this could change if and when the payment of a future earnout is due.

Bonding capacity

Many of the Corporation's projects are state, provincial, municipal or federal projects, which require bonds, particularly those projects greater than $0.5 million. The trend has been that the number and size of projects tendered in the market and bid on by the Corporation are becoming larger, some in excess of $15 to $30 million. The Corporation currently has a USD $10 million bonding facility through MOS, but no Canadian bonding facility. Sometimes requirements for bonds can be negotiated to be replaced by other means, such as a letter of credit or a higher holdback amount, but the inability of the Corporation to obtain bonding in Canada and/or on larger projects in the U.S. may slow the growth of future sales.

Product acceptance

The Corporation's mission statement is to gain broad market acceptance of its product for various applications throughout North America, with its focus on Canadian infrastructure and now U.S. infrastructure applications through recently acquired U.S. subsidiaries MOS and PIGCO. Successful implementation of this vision depends on the Corporation's product becoming more widely accepted by project design engineers and specifiers. These individuals oversee the engineering and design of infrastructure projects, including the materials used in various projects, and make the determination of whether cellular concrete can be considered for a particular application.

Anticipated benefits of future acquisitions

The Corporation has raised funds to execute its strategic plans which include acquiring other companies. These acquisitions are intended to be accretive and achieve a variety of benefits. Achieving the benefits of these acquisitions depends in part on consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, and on CEMATRIX's ability to realize the anticipated growth and development opportunities from the assets underlying the acquired entities. Integrating the underlying assets will require considerable effort, time and resources from management, which may divert management's focus from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect CEMATRIX's ability to achieve the anticipated benefits of its recently completed and proposed acquisitions.

Competition

Although the Corporation is the only supplier of cellular concrete in Canada of its size, there are several smaller suppliers in Ontario and British Columbia. There are many more suppliers in the U.S. and other countries where the cellular concrete market is more developed. Accordingly, the possibility of future competition in Canada and continued competition in the U.S. and elsewhere continues to be a risk. Competition could result in lost sales or reduced market share.

Dependence on key personnel

The success of the Corporation has been largely reliant on the skills and expertise of its key personnel to manage the overall business and achieve positive returns. This includes key personnel from both U.S. acquisitions. The continued success of the Corporation will depend on the Corporation's ability to hire and retain these key individuals, attract other key personnel, and ensure the knowledge they bring is disseminated among the rest of the Corporation's employee base. Costs associated with retaining key personnel could adversely affect the Corporation's business operations and financial results.

Product warranties

The Corporation has not experienced warranty claims during its existence due to the nature of its product and does not incur any expense related to possible warranty claims. Although the Corporation's products are used in very low risk applications, such as replacement of dirt or rigid insulations, there is potential for future warranty claims to be made.

Economic conditions

Economic downturn at the local, regional or national level could negatively affect the Corporation's business. During an economic downturn, activity in the infrastructure construction sector may decrease, thereby decreasing demand for the Corporation's products.

Safety, health, and environmental regulations

Safety, health and environmental legislation affects nearly all aspects of the Corporation's operations. Compliance with safety, health and environmental legislation can require significant expenditures and failure to comply with such safety, health and environmental legislation may result in the imposition of fines and penalties, the temporary or permanent suspension of operations, clean-up costs resulting from contaminated properties, damages and the loss of important permits. The Corporation could also be held liable for worker exposure to contagious disease or hazardous substances and for accidents causing injury or death. There can be no assurances that the Corporation will comply with all safety, health and environmental regulations at all times, or that steps to achieve compliance would not materially adversely affect the Corporation's business.

Safety, health and environmental laws and regulations are evolving in all jurisdictions where the Corporation has activities. The Corporation is not able to determine the specific impact that future changes in safety, health and environmental laws and regulations may have on its operations and activities, and its resulting financial position; however, the Corporation anticipates that capital expenditures and operating expenses will increase in the future as a result of the implementation of new and increasingly stringent safety, health and environmental regulations. Further changes in safety, health and environmental laws, new information on existing safety, health and environmental conditions or other events, including legal proceedings based upon such conditions, may require increased financial reserves or compliance expenditures or otherwise have a material adverse effect on the Corporation.

Reputational damage to the Corporation

Damage to the Corporation's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish, and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to the Corporation and its activities, whether true or not. Although the Corporation believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Corporation does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations, and an impediment to the Corporation's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows, and growth prospects.

Government regulations, permits and licenses

The Corporation's operations may be subject to governmental laws or regulations promulgated by various legislatures or governmental agencies from time to time. A breach of such legislation may result in imposition of fines and penalties. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Corporation intends to fully comply with all governmental laws and regulations. There can be no assurance, however, that all permits which the Corporation may require for its operations and activities will be obtainable on reasonable terms or on a timely basis or such laws and regulations would not have a material adverse effect on the Corporation's business.

Regulatory risks

Successful execution of the Corporation's business is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the operation of its business.

The Corporation will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties, or in restrictions on the Corporation's operations. In addition, changes in regulations, more vigorous enforcement thereof, or other unanticipated events could require extensive changes to the Corporation's operations, increased compliance costs, or give rise to material liabilities, which could have a material adverse effect on the business, financial condition, and operating results of the Corporation.

Regulatory or agency proceedings, investigations, and audits

The Corporation's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Corporation to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties. CEMATRIX may become involved in a number of government or agency proceedings, investigations, and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Corporation's reputation, require the Corporation to take, or refrain from taking, actions that could harm its operations or require CEMATRIX to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations, and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Corporation's business, financial condition, and results of operations.

Litigation

The Corporation may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Corporation becomes involved be determined against the Corporation, such a decision could adversely affect the Corporation's ability to continue operating and the value of the Common Shares and could use significant resources. Even if the Corporation is involved in litigation and wins, litigation can redirect significant Company resources, including the time and attention of management and available working capital. Litigation may also create a negative perception of the Corporation's brand.

Legal and accounting requirements

As a publicly listed company, the Corporation is subject to numerous legal and accounting requirements that do not apply to private companies. The cost of compliance with many of these requirements is material. Failure to comply with these requirements can have numerous adverse consequences including, but not limited to, the Corporation's inability to file required periodic reports on a timely basis, loss of market confidence, delisting of its securities and/or governmental or private actions against the Corporation. There can be no assurance that the Corporation will be able to comply with all of these requirements or that the cost of such compliance will not prove to be a substantial competitive disadvantage vis-à-vis privately-held and larger public competitors.

Accounting policies and internal controls

The Corporation prepares its financial reports in accordance with International Financial Reporting Standards. In preparation of its financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Corporation. Significant accounting policies are described in more detail in the Corporation's audited financial statements. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported, the Corporation has implemented and continues to analyze its internal control systems for financial reporting. Although the Corporation believes its financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, the Corporation cannot provide absolute assurance in this regard.

Fraudulent or illegal activity by employees, contractors, and consultants

The Corporation is exposed to the risk that its employees, independent contractors, and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Corporation that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete, and accurate reporting of financial information or data. It is not always possible for the Corporation to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Corporation to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Corporation from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against The Corporation, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Corporation's business, including the imposition of civil, criminal, and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits, and future earnings, and curtailment of the Corporation's operations, any of which could have a material adverse effect on the Corporation's business, financial condition, and results of operations.

Information technology systems and cyber attacks

The Corporation's operations will depend, in part, on how well it and its suppliers and service providers protect networks, equipment, IT systems, and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage, destruction, fire, power loss, hacking, computer viruses, vandalism, and theft. The Corporation's operations will also depend on the timely maintenance, upgrades, and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays, and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Corporation's reputation and results of operations.

There can be no assurance that the Corporation will not incur such losses in the future. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes, and practices designed to protect systems, computers, software, data, and networks from attack, damage, or unauthorized access is a priority. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Tax

No assurance can be given that new taxation rules will not be enacted or existing rules will not be applied in a manner which could result in the Corporation being subject to additional taxation or which could otherwise have a material adverse effect on the Corporation's results from operations and financial condition.

Natural disasters, terrorist acts, civil unrest, and other disruptions

Upon the occurrence of a natural disaster, or upon an incident of war, riot or civil unrest, the impacted country, province, or region may not efficiently and quickly recover from such event, which could have a material adverse effect on the Corporation, its customers, and/or either of their businesses or operations. Terrorist attacks, public health crises, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest (including the most recent protests and railway blockades in Canada), natural disasters, national emergencies, acts of war, technological attacks and related events can result in volatility and disruption to local and global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Corporation, its customers, and/or either of their businesses or operations, which may have a material adverse effect on the Corporation's reputation, business, financial conditions or operating results.

Dividends

No dividends have been declared by the Corporation, and the Corporation does not anticipate declaring any dividends in the next several years.

Capital structure

General description of capital structure

Common shares

The Corporation is authorized to issue an unlimited number of Common Shares. The holders of Common Shares are entitled to receive notice of and one vote per share at all meetings of shareholders of the Corporation. The holders of Common Shares are entitled to dividends in such amounts as the board of directors of the Corporation may from time to time declare and, in the event of liquidation, dissolution or winding–up of the Corporation, are entitled to share pro rata in the assets of the Corporation.

Preferred shares

The Corporation is also authorized to issue an unlimited number of Preferred Shares, issuable in series. The Preferred Shares rank in priority to the Common Shares as to the payment of dividends and as to the distribution of assets in the event of liquidation, dissolution or winding–up of the Corporation. There are no Preferred Shares issued and outstanding.

Broker warrants and regular warrants

In the past, the Corporation had a significant number of broker warrants and regular warrants outstanding related to past financings. All remaining warrants expired in 2023. As a result, there are no warrants outstanding as of the date of this AIF.

Issued securities

As at December 31, 2023 and April 10, 2024, the following is a description of the equity securities and convertible securities of the Corporation issued and outstanding.

Description of securities	Authorized	Outstanding as at December 31, 2023	Outstanding as at April 10, 2024
Voting or equity securities issued and outstanding	Unlimited Common Shares	135,279,048 Common Shares	135,279,048 Common Shares
Securities convertible or exercisable into voting or equity securities – stock options	Incentive equity plans (stock options and RSU's) to acquire up to 10% of outstanding Common Shares	Stock options to acquire 4,716,667 Common Shares at an exercise prices at between $0.18 - $0.59	Stock options to acquire 5,917,667 Common Shares at an exercise prices at between $0.18 - $0.59
Securities convertible or exercisable into voting or equity securities – Restricted Stock Units ("RSU's")	Incentive equity plans (stock options and RSU's) to acquire up to 10% of outstanding Common Shares	Restricted Stock Units to acquire 150,887 Common Shares	Restricted Stock Units to acquire 1,222,738 Common Shares

Market for securities

Trading price and volume

CEMATRIX Common Shares are publicly traded on the TSXV under the symbol "CVX.V". The Common Shares are also traded on the OTC in the United Sates under the symbol "CTXXF". The following table sets out the price range (month high and low prices) of the Common Shares and consolidated volumes treaded on the TSXV for the financial year ended December 31, 2023.

Month	High ($)	Low ($)	Volume
January	$0.230	$0.180	1,414,172
February	$0.210	$0.175	843,398
March	$0.190	$0.160	802,455
April	$0.205	$0.170	1,366,957
May	$0.230	$0.175	1,270,183
June	$0.215	$0.180	1,513,667
July	$0.230	$0.185	715,148
August	$0.215	$0.185	1,405,816
September	$0.205	$0.185	817,202
October	$0.205	$0.180	862,231
November	$0.350	$0.180	4,284,752
December	$0.330	$0.250	4,418,660

Prior sales

The following table summarizes the securities of the Corporation issued in the year but not listed on a marketplace for the financial year ended December 31, 2023.

Description of securities	Date issued	Number of securities issued	Exercise price per security ($)
Restricted stock units (1)	Various	513,513	--
Stock options (2)	Various	750,000	$0.185

(1) The Corporation granted 513,513 RSU's as part of its Equity Incentive Compensation plan. The RSU's are convertible into common shares on a 1:1 basis at no cost.

(2) The Corporation granted 750,000 Stock Options as part of its Equity Incentive Compensation plan. The Stock options granted in the year are exercisable into Common Shares at an exercise price of $0.185.

Directors and officers

Directors of the Corporation

Name and municipality of residence	Principal occupation for past five years	Office held and date appointed	Board committees	Voting shares [(1)]
Robert L. Benson Victoria, British Columbia	Retired. Former Vice President & COO for Kemex Limited from 2005 to 2007.	Director (July 28, 2008)	Governance & Compensation Committees	85,000 (~0.1%)
Steve Bjornson Calgary, Alberta	Independent businessman and Financial Executive. CFO of Valeura Energy Inc. from 2010 to 2020.	Director (July 28, 2008)	Chair of Audit Committee	100,000 (~0.1%)
Patrick N. Breen, K.C. Calgary, Alberta	Corporate lawyer with Miller Thompson LLP since 2019 and with McLeod Law LLP from 1996 to 2019.	Director (July 28, 2008)	Chair of Governance Committee	150,000 (~0.2%)
Anna Marie Cuglietta Edmonton, Alberta	Human Resources Executive with experience working for large construction companies in Canada. VP Human Resources for Bird Construction / Stuart Olson from 2017 to 2021.	Director (April 27, 2021)	Chair of Compensation Committee	88,235 (~0.1%)
Jeffrey Kendrick Calgary, Alberta	President and Chief Executive Officer of the Corporation since 2008.	President, CEO and Director (June 18, 2008)	--	3,853,187 (2.8%)
John Kim Toronto, Ontario	Mr. Kim is an independent business consultant and investor. Currently a board member for several private and public companies including EMERGE Commerce (TSXV) and WELL Health (TSX). Previously, Mr. Kim was a Portfolio Manager at Aventine Management Group from 2018 to 2019.	Director (October 1, 2021)	Audit Committee	450,000 (0.3%)
Minaz Lalani Calgary, Alberta	Chairman of Fenchurch General Insurance Company, an Ontario registered Property and Casualty Insurance company since April 2019, Chairman of Besurance Corporation, an Insurance Technology company since July 2013 and Managing Principal at Lalani Consulting Group, an actuarial and risk consulting firm since February 2010.	Director (March 16, 2010)	Audit and Compensation Committees	655,501 (0.5%)

[(1)] The information as to shares beneficially owned, directly or indirectly, or over which control or discretion is exercised, is based on information furnished to the Corporation by the respective directors as at the date hereof and calculated using 135,279,048 Common Shares issued and outstanding.

Officers of the Corporation

Name and province or state and country of residence	Principal occupation	Voting shares [1]
Jeffrey Kendrick Calgary, Alberta Canada	Mr. Kendrick is the President and Chief Executive Officer of the Corporation since June 19, 2008. Prior to he was the Chief Financial Officer of the Corporation from June 1, 2007 to December 1, 2008; President and Chief Executive Officer of the Corporation from March 2005 to June 2007.	3,853,187 (2.8%)
Randy Boomhour [2] Calgary, Alberta Canada	Mr. Boomhour is the Chief Operating Officer of the Corporation since January 1, 2024. Prior to, Mr. Boomhour was the Chief Financial Officer of the Corporation from 2020 to 2023. Prior to his employment at the Corporation, Mr. Boomhour was the CFO at Tartan Industrial Corporation from 2015 to 2018. Tartan was acquired by Stuart Olson, and Mr. Boomhour served as Vice President Finance at Stuart Olson Inc. from 2018 to 2020.	1,011,993 (0.7%)
Jordan Wolfe [3] Chicago, Illinois United States	Mr. Wolfe is the President of MOS. Mr. Wolfe founded MOS with his father Mr. Edward Weiner. Mr. Wolfe has been the President of MOS since 2018.	12,571,263
Pat Stephens Bellingham, Washington United States	Mr. Stephens is the founder and former owner of PIGCO. Mr. Stephen has been in the cellular concrete business and the President of PIGCO since its incorporation on December 30, 1970. Mr. Stephens retired from the Corporation on December 31, 2023. Mr. Stephens remains associated with the Corporation through a consulting arrangement.	-- (0.0%)
Marie-Josee Cantin [4] Calgary, Alberta Canada	Ms. Cantin is the Chief Financial Officer of the Corporation as of February 5, 2024. Ms. Cantin worked at Stuart Olson (which was acquired by Bird Construction) from 2012 to 2024 in senior finance and accounting roles before joining the Corporation.	-- (0.0%)

[1] The information as to shares beneficially owned, directly or indirectly, or over which control or discretion is exercised, is based on information furnished to the Corporation by the respective directors as at the date hereof and calculated using 135,279,048 total Common Shares issued and outstanding as of December 31, 2023.

[2] Mr. Boomhour was promoted to the role of Chief Operating Officer ("COO") of the Corporation effective January 1, 2024.

[3] Mr. Jordan Wolfe was previously known as Mr. Jordan Weiner. Mr. Wolfe legally changed his name in 2022 for personal reasons.

[4] Ms. Cantin is the Chief Financial Officer ("CFO") of the Corporation. Her start date with the Corporation was February 5, 2024.

Corporate cease trade orders or bankruptcies

Mr. Kim was a director of Tetra Bio-Pharma Inc. ("Tetra") from May 2021 to August 2023. On March 7, 2023, the Ontario Securities Commission rejected Tetra's application for a management cease trade order, which prevented Tetra from using securities to continue to finance Tetra and pay down debt. On July 28, 2023, Tetra filed for bankruptcy.

Except as disclosed above, none of those persons who are directors of the Corporation are, or have within the past ten years been a director, trustee, chief executive officer or chief financial officer of any entity including the Corporation that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the entity access to any exemption under securities legislation for a period of more than 30 consecutive days, or after such persons ceased to be a director, trustee, chief executive officer or chief financial officer of the entity, was the subject of a cease trade or similar order or an order that denied the entity access to any exemption under securities legislation for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

In addition, and except as disclosed below, none of those persons who are directors of the Corporation are, or have been within the past ten years, a director, trustee or executive officer of any entity including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or trustee appointed to hold its assets.

Penalties or sanctions

None of those persons who are directors of the Corporation (or any personal holding companies) have been subject to any penalty or sanction imposed by a court relating to securities legislation or by a securities regulatory authority or have entered into a settlement with a securities regulatory authority or been subject to any other penalty or sanction imposed by a court or regulatory body likely be considered material to a reasonable Shareholder in determining whether to vote for a director.

Personal Bankruptcies

No director of the Corporation, or a personal holding company of any such person has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver or trustee appointed to hold the assets of such person.

Conflicts of Interest

To the best of the Corporation’s knowledge, there are no known existing or potential conflicts of interest between the Corporation and a current director or officer of the Corporation as at the date hereof. Certain directors also serve as directors or officers of other companies, and it is therefore possible that a conflict may arise in the future between their duties to the Corporation and their duties as a director or officer of such other companies.

Legal proceedings and regulatory actions

As at the date of this form, the Corporation is not involved in any material legal proceeding or regulatory action.

Interest of management and others in material transactions

No director or executive officer of the Corporation or any of their associates or affiliates has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction material to the Corporation since the commencement of the last financial year.

Auditor, transfer agent and registrar

The independent auditor of the Corporation is MNP LLP in Calgary, Alberta.

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal office in Calgary, Alberta.

Material contracts

No new material contracts of the Corporation were executed in the year, other than contracts entered into in the ordinary course of business. Copies of material contracts are available on SEDAR at www.sedarplus.com.

Interest of experts

MNP LLP is the Corporation's independent auditor. MNP LLP has advised it is independent from the Corporation in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

Audit Committee

The general function of the audit committee of the corporation (the "**Audit Committee**") is to review the overall audit plan and the Corporation's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation's auditors.

The following are the current members of the Audit Committee:

Name	Independent / not independent [(1)]	Financially literate / not financially literate [(1)]	Relevant education and experience
Steve Bjornson (Chair)	Independent	Financially Literate	Mr. Bjornson is a chartered professional accountant and chartered accountant.
Minaz Lalani	Independent	Financially Literate	Mr. Lalani is an actuary, and he has the educational background and consulting experience to understand financial statements
John Kim	Independent	Financially Literate	Mr. Kim is a Chartered Financial Analyst (CFA) and he has the educational background and financial experience to understand financial statements

[(1)] As defined by National Instrument 52-110 – Audit Committees ("NI 52-110").

The Audit Committee's charter ("**Charter**") sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the Board. A copy of the full text of the Charter is attached hereto as Schedule "A" to this AIF.

Reliance on certain exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Audit Committee oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-approval policies and procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, all as more particularly described in the Charter under the heading "*External Auditors*".

External auditor service fees

The aggregate fees billed by the Corporation's external auditors in each of the last three fiscal years for audit fees are approximately as follows:

Financial year ending	Audit fees	Audit related fees	Tax fees	All other fees (1)
2023	$203,000	$0	$0	$0
2022	$174,000	$0	$2,000	$1,000
2021	$198,000	$0	$56,000	$53,000

(1) This amount in 2021 relates to fees associated with the Short Form Prospectus financing.

Additional information

Additional information in relation to CEMATRIX may be found on SEDAR at www.sedarplus.com.

Additional information including directors' and officers' remuneration, principal holders of securities and securities authorized for issuance under equity compensation plans is contained in CEMATRIX's management information circular dated May 8, 2023 and filed the same day on SEDAR at www.sedarplus.com.

Additional financial information is provided in CEMATRIX's most recent interim financial statements, audited annual financial statements and accompanying management discussion and analysis filed on SEDAR at www.sedarplus.com.

Schedule "A"

AUDIT COMMITTEE CHARTER
CEMATRIX CORPORATION

Purpose

1. The purpose of the Audit Committee is to:

   (a) review and recommend to the Board for acceptance, prior to their public release, all material financial information required to be gathered and disclosed by the Corporation;

   (b) oversee management designed and implemented accounting systems and internal controls; and

   (c) recommend, engage, supervise, arrange for the compensation and ensure the independence of the external auditor to the Corporation.

Composition

2. The Audit Committee will be comprised of at least three members of the Board each of at least one of whom shall be independent as those terms are defined in National Instrument 52-110 – Audit Committees.

3. All members of the Committee shall be financially literate as those terms are defined in National Instrument 52- 110 - *Audit Committees* and possess:

   (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;

   (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

   (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and

   (d) an understanding of internal controls and procedures for financial reporting.

Meetings

4. The Audit Committee is required to meet in person, or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Audit Committee.

5. The Chair of the Audit Committee appointed by the Board will, in consultation with the members, determine the schedule, time and place of meetings, and in consultation with management and the external auditor, establish the agenda for meetings.

6. A quorum for a meeting of the Audit Committee shall be a majority of members present in person or by telephone conference call.

7. Notice of the time and place of every meeting shall be given in writing, by email or facsimile to each member of the Audit Committee at least 24 hours prior to the time fixed for such meeting, provided that a member may in any manner waive a notice of meeting.

Responsibilities

8. The Audit Committee is responsible to:

(a) independently or together with the Board, investigate fraud, illegal acts and conflicts of interest and respond to existing and potential conflicts;

(b) discuss issues of its choosing with the external auditor, management and corporate counsel;

(c) establish procedures for the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

(d) establish procedures for the receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls and auditing matters and the retention (for at least 7 years) of copies of concerns and evidence of investigations; and

(e) make inquiries of the external auditor and legal counsel to the Corporation regarding potential claims, assessments, contingent liabilities, and legal and regulatory matters that may have a material impact on the financial statements of the Corporation.

External Auditors

9. To preserve the independence of the external auditor responsible for preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, the Audit Committee is responsible to:

(a) recommend to the Board the external auditor to be nominated;

(b) recommend to the Board the external auditor’s compensation;

(c) evaluate the external auditor’s qualifications, performance and independence including by annually reviewing:

(i) a report of the auditor describing its internal quality-control procedures;

(ii) material issues raised by its most recent internal quality-control review; and

(iii) the results of any inquiry or investigation by government or professional authorities of the auditor within the last five years;

(d) review the experience and qualifications of the senior members of the external auditors, ensure that the lead audit partner is replaced periodically in accordance with applicable law, and that the audit firm continues to be independent;

(e) review and pre-approve any engagements for non-audit services to be provided by the external auditor and its affiliates in light of the estimated fees and impact on the external auditor’s independence;

(f) review with management and with the external auditor:

(i) any proposed changes in major accounting policies;

(ii) the presentation and impact of significant risks and uncertainties; and

(iii) key estimates and judgments of management that may be material to financial reporting; and

(g) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and most recent former external auditor of the Corporation in compliance with the requirements set out in section 2.4 of Multilateral Instrument 52-110.

10. The Audit Committee is required to:

(a) maintain direct communications with the internal and external auditors;

(b) discuss and review specific issues with the external auditor;

(c) oversee the work of the external auditor;

(d) resolve any disagreements between management and the external auditor;

(e) meet with the external auditor at least annually in the absence of management;

(f) ensure that the external auditor is answerable to the Audit Committee, as representatives of the shareholders, rather than to the executive officers and management;

(g) pre-approve all audit services;

(h) meet with the external auditor prior to the audit to review the scope and general extent of the external auditor's annual audit including planning and staffing the audit and the factors considered in determining the audit scope, including risk factors;

(i) upon completion of the annual audit and prior to public disclosure, review the following with the CEO, CFO and executive officers:

(i) annual financial statements, footnotes and management discussion and analysis of financial condition and results of operations;

(ii) significant accounting judgements and reporting principles, practices and procedures applied in preparing the financial statements, including newly adopted accounting policies and the reasons for their adoption;

(iii) results of the combined audit of the financial statements and internal controls over financial reporting;

(iv) significant changes to the audit plan, if any, and any disputes or difficulties with management encountered during the audit, including any disagreements which, if not resolved, would have caused the external auditor to issue a non-standard report on the Corporation's financial statements; and

(v) co-operation received by the external auditor during its audit including access to all requested records, data and information.

<u>Accounting Systems, Internal Controls and Procedures</u>

11. The Audit Committee will:

    (a) be satisfied and obtain reasonable assurances from management and the external auditors that:

        (i) accounting systems are reliable;

        (ii) prescribed internal controls are effective; and

        (iii) adequate procedures are in place for the review of the disclosure of financial information extracted or derived from the Corporation's financial statements;

    (b) periodically assess the adequacy of accounting systems, internal controls and procedures for the review of disclosure of financial information;

    (c) direct the external auditor's examinations to particular issues;

    (d) review control weaknesses identified by the external auditor and management's response; and

    (e) review with the external auditor its view of the qualifications and performance of the key financial and accounting executives.

<u>Reporting</u>

12. The Audit Committee is responsible, following each meeting, to report to the Board regarding its activities, findings, recommendations, any issues that arise with respect to the quality or integrity of the Corporation's financial statements, compliance with applicable law, the performance and independence of the external auditor and the effectiveness of the internal audit function.

13. The Audit Committee is responsible for reviewing and recommending their approval to the Board, prior to their distribution, of all:

    (a) interim and annual financial statements and notes thereto;

    (b) managements' discussion and analysis of financial condition and results of operations;

    (c) relevant sections of the annual report, annual information form and management information circular containing financial information;

    (d) forecasted financial information and forward looking statements;

    (e) press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and

    (f) disclosure of the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates.

14. The Audit Committee will annually, prior to public disclosure of its annual financial statements, ensure that the external auditor has current participant status with, and is in compliance with any restriction or sanction imposed by the Canadian Public Accountability Board.

15. The Audit Committee will prepare any reports required to be prepared by the Committee under applicable law including quarterly reports regarding ongoing investigations made pursuant to the Corporation's Whistleblower Policy.

Governance

16. The Audit Committee is responsible to annually review and in its discretion make recommendations to the Board regarding changes to its Mandate and the position description of its Chair.

Materials

17. The Audit Committee has access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

Advisors

18. The Audit Committee has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Audit Committee in the discharge of its duties.

Adopted and approved by the Board: April 24, 2006