CEMATRIX CORPORATION
Management's Discussion and Analysis
Quarter Ended March 31, 2015

Date Completed: May 27, 2015

CEMATRIX CORPORATION
www.cematrix.com

Form 51-102F1 - Management's Discussion & Analysis
For the Quarter Ended March 31, 2015

The following is the management's discussion and analysis ("MD&A") of CEMATRIX Corporation ("CEMATRIX" or the "Company") for the quarter ended March 31, 2015. This MD&A should be read in conjunction with the unaudited interim consolidated financial statements of the Company for the quarter ended March 31, 2015 (the "Interim Consolidated Financial Statements") and the related notes thereto and the audited consolidated financial statements and MD&A of the Company for the year ended December 31, 2014 and related notes thereto. The Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards. All dollar figures included therein and in this MD&A are in Canadian dollars.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com. CEMATRIX is listed on the TSX Venture Exchange under the trading symbol "CVX".

On May 27, 2015 the Audit Committee of the Company reviewed and recommended for approval by the Board of Directors of the Company the Interim Consolidated Financial Statements and MD&A for the quarter ended March 31, 2015. The Board of Directors of the Company has reviewed and approved the Interim Consolidated Financial Statements and MD&A on May 27, 2015.

Index

Forward Looking Statements

This MD&A contains certain statements and disclosures that may constitute forward-looking information under applicable securities law. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that the Company 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, amongst other things relate to: sources of revenue and income; forecasts of capital expenditures and sources of financing thereof; the Company's business outlook; plans and objectives of management for future operations; forecast business results; and anticipated financial performance.

The Company has identified what it considers to be the material forward-looking statements and disclosure in this MD&A and has listed them in Appendix A. The material factors, material assumptions and material risks that provide the basis for those statements and disclosure have also been provided in Appendix A.

The forward-looking information in statements or disclosure in this MD&A is based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Company to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Various assumptions or factors are typically applied in drawing conclusions or making forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company including information obtained by the Company from third-party industry analysts and other third-party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While the Company does not know what impact any of those differences may have, its business, results of operations, financial condition and its credit stability may be materially adversely affected.

The Company has discussed, in Section D. – Key Market Drivers and in Section E. - Key Risks and Uncertainties of its MD&A for the year ended December 31, 2014, the significant market drivers and risk factors that affect its business and could cause actual results to differ materially from the forward-looking information disclosed herein. These factors remain substantially unchanged as of the date hereof. The Company cautions the reader that these factors are not exhaustive. The risk factors that could lead to differences in business results and which could cause actual results to differ materially from the forward-looking information disclosed herein include, without limitation, legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity, timing and extent of changes in prevailing interest rates, inflation levels and general economic conditions in geographic areas where the Company operates, results of financing efforts, changes in counterparty risk and the impact of accounting standards issued by Canadian standard setters.

The Company is not obligated to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws. Because of the risks, uncertainties and assumptions contained herein, prospective investors should not place undue reliance on forward-looking statements or disclosures. The foregoing statements expressly qualify any forward-looking information contained herein.

A. Purpose of the Company's MD&A

The purpose of this MD&A is to provide a narrative explanation, through the eyes of management, to assist the reader in understanding the Company's performance for the quarter ended March 31, 2015, the Company's financial condition as at March 31, 2015 and its future prospects.

B. First Quarter Highlights

- CEMATRIX achieved record first quarter sales of $2,819,022, up from $260,960 for the same period last year.

- The Company's total contracted work for 2015 and 2016 has increased to $11.1 million, up from $9.9 million reported in March, $1.0 million of which relates to 2016. This compares to a total of $4.3 million at the same time last year.

- The Company, through a wholly owned subsidiary, CEMATRIX (Canada) Inc., put in place a new working capital financing arrangement for up to $2,000,000, a portion of which was used to repay a credit line with a Canadian chartered bank (the "Credit Facility").

C. Results of Operations for Quarter Ending March 31, 2015

	Three Months Ended March 31		
	2015	2014	Change
Revenue	$ **2,819,022**	$ 260,960	$ 2,558,062
Gross margin	$ **638,712**	$ (234,928)	$ 873,640
Operating expenses	**(532,395)**	(491,310)	(41,085)
Operating income (loss)	**106,317**	(726,238)	832,555
Non-cash stock based compensation	**(57,382)**	(129,764)	72,382
Finance costs	**(56,844)**	(39,382)	(17,462)
Oher income	**15,365**	1,017	14,348
Income (loss) before income taxes	**7,456**	(894,367)	901,823
Recovery (provision) of deferred taxes	**(2,745)**	173,754	(176,499)
Net income (loss) attributable to the common shareholders	**4,711**	(720,613)	725,324
Unrealized foreign exchange loss on translation of foreign subsidiary	**(7,132)**	(1,945)	(5,187)
Total comprehensive loss for period	$ **(2,421)**	$ (722,558)	**$** 720,137
Income (loss) per common share	$ **-**	$ (0.02)	$ 0.02

Revenue			
Infrastructure			
Western Canada	**$** **651,124**	$ **80,809**	$ 570,315
Ontario	**583,367**	**84,737**	498,630
United States	**795,275**	**-**	795,275
	2,029,766	**165,546**	1,864,220
Western Canada Oil and Gas	**789,256**	**95,414**	693,842
	$ **2,819,022**	$ **260,960**	$ 2,558,062

The revenue for the quarter ended March 31, 2015 was $2,819,022 as compared to $260,960 in the comparative period in 2014, an increase of $2,558,062. The first quarter is normally considered the offseason for the Company. Sales in the first quarter of 2015 benefitted from winter infrastructure projects carried over from 2014 and the start of a major project in the oil and gas sector in Western Canada, which had also originally been slated to commence in the fall of 2014.

The increase in sales resulted in a positive gross margin on sales of $638,712 or 23% in the first quarter of 2015 as compared to a negative gross margin of $234,928 for the same period of 2014. The gross margin percentage in the first quarter of 2014 was negatively affected by winter construction costs, client changes to planned production plans and schedules and lower introductory pricing on certain projects. These conditions are not forecast to continue through the balance of the year.

Operating expenses for the quarter ended March 31, 2015 were $532,395 as compared to $491,310 in the same quarter of 2014. The increase of $41,085 was due to the aggregate of the following:

- Salaries and benefits were up $27,700; the result of the addition of new sales staff in 2014 and non-executive salary increases in April 2014;

- Commission expense increased by $17,400 due to the significant increase in first quarter 2015 sales as compared to the comparative period in 2014;

- Receivable insurance on United States ("U.S.) dollar trade receivables was $7,900 in 2015; there was no similar amount in 2014;

- Product testing costs were up $4,100; these cost are incurred in response to customer requests;

- Bad debt expense was down $28,208; in 2014 a disputed account concerning volumes related to a specific project was settled; there was no bad debt expense in 2015; and

- Other costs were up by $12,193.

Non-cash share-based payment expense was down $72,382; primarily the effect of the immediate vesting of the stock options issued in March of 2014 to replace options that had expired in 2013;

Finance costs were up $17,462; this increase is due to higher bank debt incurred to fund the increase in working capital levels as a result of higher than normal 2014 fourth quarter sales and increased debt to fund capital expenditures; the Secured Debenture was issued in February 2014; and the BDC Capital Financing loan increased over the levels in place during the same period of 2014 due to the construction of new production equipment.

Other income was up $14,348; this increase is principally unrealized foreign exchange gains on the translation of U.S. dollar trade receivables at rates in affect at March 31, 2015; there were no similar accounts in 2014.

The Company recorded a $2,745 provision of deferred taxes in the first quarter of 2015 as compare to a $173,754 recovery of deferred taxes in the same quarter in 2014.

The unrealized foreign exchange loss on the translation of the Company's U.S. subsidiary was $7,132 in 2015 as compared to an unrealized loss of $1,945 in 2014. The increase is due to the strengthening of the U.S. dollar to the Canadian dollar.

The net comprehensive loss for the quarter ended March 31, 2015 was $2,421 compared with a loss of $722,558 for the same period in 2014. The strong improvement was due to the significant increase in sales, and the margin thereon, as compared to 2014. This was offset by higher operating and finance costs as partially offset by lower non-cash share-based payment expense and unrealized foreign exchange gains.

D. Selected Quarterly Financial Information

Due to the seasonal nature of the Company's business, which typically follows the construction season in Canada, a significant portion of the Company's sales occur between the latter part of the second quarter and the first half of the fourth quarter, on an annual basis. In the first quarter of 2015 the Company benefitted from winter infrastructure projects carried over from 2014 and the start of a major project in the oil and gas sector in Western Canada. For the year 2014 a number of projects were delayed until the fourth quarter.

The Company continues pursuing other markets where seasonality is less of an issue. This seasonality is reflected in the quarterly results summarized in the table below:

Quarters Ended	Revenues	Comprehensive Income (Loss)	Income (Loss) Per Share Basic	Income (Loss) Per Share Diluted
	$	$	$	$
2015 Year				
March 31	**2,819,022**	**(2,421)**	**-**	**-**
2014 Year				
March 31	**260,960**	**(722,558)**	**(0.022)**	**(0.022)**
June 30	**3,070,504**	**82,668**	**0.003**	**0.003**
September 30	**967,382**	**(405,994)**	**(0.012)**	**(0.012)**
December 31	**4,413,347**	**460,075**	**0.013**	**0.012**
Total for year	**8,712,193**	**(585,809)**	**(0.017)**	**(0.017)**

Note 1: Quarterly income (loss) per share is calculated on a standalone quarterly basis and accordingly the sum of the quarterly amounts may not equal the total for the year

E. Consolidated Statement of Financial Position

		March 31 2015		December 31 2014		Change
Total current assets	**$**	**4,272,626**	$	4,930,969	$	(658,343)
Total non current assets		**4,277,431**		4,328,673		(51,242)
Total Assets	**$**	**8,550,057**	$	9,259,642	$	(709,585)
Current liabilities	**$**	**2,824,076**	$	3,573,850	$	(749,774)
Non current liabilities		**2,001,403**		2,016,175		(14,772)
Total liabilities	**$**	**4,825,479**	$	5,590,025	$	(764,546)
Shareholders’ equity	**$**	**3,724,578**	$	3,669,617	$	54,961

Total current assets decreased by $658,343. This decrease was largely due to the timing of sales and is summarized in aggregate below:

- Cash in the bank was down $29,335 (See the discussion in Section F - Consolidated Statement of Cash Flows);

- Trade and other receivables were down by $541,442 as a result of the lower sales in the first quarter of 2015 in comparison to the fourth quarter of 2014 combined with timing differences in the collection of trade receivables;

- Inventory was down $76,022 due to the normal usage in the production process which increased substantially due to strong first quarter 2015 sales; and

- Prepaids and deposits were down $12,011; the 2014 amount included an amount for costs incurred on a project that did not start until after March 31, 2014, there was no similar amount in 2015.

Total non current assets decreased by $51,242. This decrease is primarily due to depreciation on plant and equipment being higher than the additions and is summarized in aggregate below:

- Property and equipment was down $48,497 - depreciation and amortization expense for the quarter was $86,514 and this was partially offset by additions to property and equipment of $38,017 related to the construction of new production equipment; and

- Intangibles remained at the same amount: no amortization is recorded on the remaining trademarks and technology as the Company views these as having an indefinite life.

- The deferred tax asset decreased by $2,745 as a result of recording a provision for deferred tax in the quarter.

Total current liabilities decreased by $749,774. This decrease was primarily due to the application of collections of trade receivables to pay down the bank loan and the lower activity in the quarter, as compared to the fourth quarter of 2014, which had the effect of reducing trade and other payables. The change is summarized in aggregate below:

- Bank overdraft, which represents checks written at the reporting date in excess of the bank balance, was down $176,199 due to the reduced level of activity in the first quarter of 2015 as compared to the last quarter of 2014;

- Bank operating loan was down $435,000 as the Company applied cash collected from trade receivables to pay down the bank operating loan;

- Trade and other payables were down $139,971 principally due to the reduced business activity in the first quarter of 2015 as compared to the last quarter of 2014;

- Current portion of long term debt remained the same as at December 31, 2014 as the repayments for the BDC Financing run from July to December; and

- Current portion of finance lease obligations was down $1,396 due to scheduled repayment of $13,376 as offset by the reclassification from the long term portion of $14,772.

Total non current liabilities decreased by $14,772. This decrease is due to the reclassification of finance lease obligations to the current portion as described below:

- Long term debt remained the same as at December 31, 2014 as the repayments for the BDC Financing run from July to December; there were no draws on the BDC Financing Capital Loan in the quarter; and

- Finance lease obligations were down $14,772 due to reclassification to current portion in the quarter (see comment above).

Shareholders' Equity increased by $54,961. This increase was due to the following:

- No new share capital was issued in 2015;

- Contributed surplus increase of $57,382 was due the non-cash share based compensation expense;

- Accumulated other comprehensive loss increased by $7,132 due to the unrealized foreign exchange loss on translation of the Company's U.S. subsidiary in the first quarter of 2015; and

- Deficit decreased by the income to common shareholders in the period of $4,711.

See the Consolidated Statements of Shareholders' Equity included in the Interim Consolidated Financial Statements at March 31, 2015.

F. Consolidated Statement of Cash Flows

The cash position of the Company at March 31, 2015 was $2,729 (consisting of cash in the bank of $20,684 net of bank overdraft of $17,955) compared to a cash deficiency position of $144,135 (consisting of cash and cash equivalent of $50,019 and a net of bank overdraft of $194,154) at December 31, 2014.

The change in the cash position from the December 31, 2014 and 2013 to the quarters ending March 31, 2015 and 2014 was an increase of $146,864 in 2015 as compared to an increase of $81,036 in the same period of 2014. This change is outlined in the table below:

	Three Months Ended March 31		
	2015	2014	Change
Cash generated from (used in) operating activities			
Before non-cash working capital adjustment	**$ 143,753**	$ (683,037)	$ 826,790
Net change in non-cash working capital items	**489,504**	275,318	214,186
	633,257	$ (407,719)	$ 1,040,976
Cash used in investing activities	**(38,017)**	(169,216)	131,199
Cash generated from (used in) financing activities	**(448,376)**	657,971	(1,106,347)
Increase in cash	**146,864**	81,036	65,828
Cash deficiency, at beginning of period	**(144,135)**	(36,092)	(108,043)
Cash, at end of period	**$ 2,729**	$ 44,944	$ (42,215)
Cash, at end of period			
Cash and cash equivalents	**$ 20,684**	$ 81,036	$ (60,352)
Bank overdraft	**(17,955)**	(36,092)	18,137
	$ 2,729	$ 44,944	$ (42,215)

- Cash generated from operating activities during the first quarter of 2015 increased by $1,040,976. This increase was due primarily to the higher earnings and realization of receivables and is summarized below:

  - The cash flow, before non cash working capital adjustments, increased by $826,790. The increase was due to the increase in net income before taxes of $901,823 combined with lower non-cash items of $75,033, due primarily to lower non-cash stock based compensation; and

  - The net change in non-cash working capital items increased by $214,186 due primarily to the level of trade receivables coming into the respective periods and the timing of their collection.

- Cash used in investing activities during the first quarter of 2015 decreased by $131,199 as the new equipment, which was being constructed in 2014 to increase the fleet of production equipment, is ready for commissioning.

- Cash generated from financing activities during the first quarter of 2015 decreased by $1,106,347. This decrease was primarily due to a lower levels of long term debt additions. In 2014 the Company incurred new debt to fund capital expenditures and to fund operations. The decrease is summarized in aggregate below:

  - In 2015 the Company used cash generated from operations to reduce its bank loan by $474,000 and to make scheduled repayments of $13,376 on finance lease obligations.

  - In 2014 the Company drew down an additional $106,507 of the BDC Capital Financing loan to fund capital spending and issued a Secured Debenture of $1,000,000 to fund capital spending and working capital; the Company also paid down $435,000 of the bank operating loan using proceeds from receivable collection and the Secured Debenture and made $13,536 in scheduled repayments on finance lease obligations.

G. Liquidity, Capital Resources and Commitments

Liquidity

The Company's liquidity, including obtaining cash resources to finance capital spending to increase its production capacity, is dependent on generating sales, profits, cash flow from operations, maintaining a facility to finance working capital and accessing capital debt facilities through loans or lease financing.

At March 31, 2015, the Company had a current asset/current liability position of $1,448,550.

The Company reported income of $64,838, before the non-cash deferred tax provision and non-cash stock based compensation and cash from operations of $143,753, before the non-cash working capital adjustment.

In order to improve the liquidity, the Company, through its wholly owned subsidiary, CEMATRIX (Canada) Inc., put in place a new working capital financing agreement (see Section N. Subsequent Events). Management expects that the replacement of the Company's Credit Facility with the new working capital financing agreement will improve the Company's ability to fund its operations through its forecast growth in sales, as the Credit Facility did not allow for this growth. Even so, management will work to put in place a credit facility, of an appropriate level, with a senior lender by the end of 2015. The ability to put in place the credit facility will be dependent on the Company showing profitable results for 2015.

As of this date the Company has signed contracts on hand for $10.1 million in sales scheduled for 2015 and $1.0 million for sales scheduled for 2016.

The realization of the net working capital as at March 31, 2015, the availability of the new working capital financing agreement and the successful completion of sales contracts that are in place provide the necessary liquidity to carry the Company's operations through the first part of 2015. Ongoing liquidity through the balance of 2015 is dependent on the Company achieving additional sales and profitable results.

Capital resources

Capital additions to build new productive capacity in the current year will come from the funds available under the BDC Financing, discussed above, and cash generated from operations. There are no significant capital expenditures planned for 2015 other than the completion of two production units currently nearing completion. The Company, with the completion of the new equipment, has production capacity that will allow the Company to triple its annual sales volume.

Building additional productive capacity in future years is dependent on the Company generating the required funds from operations or new debt or equity financing. There is no certainty that additional debt or equity financing will be available to the Company.

The Company defines its capital as the long term debt, the finance lease obligations and shareholders' equity. The current objective of the Company is to manage its capital through growth in earnings and to re-invest the earnings generated to facilitate the continued growth in the Company, in order to provide an appropriate rate of return to shareholders in relation to the risks underlying the Company's assets. The consolidated capital of the Company, as outlined in Note 20 - Capital management to the Interim Consolidated Financial Statements, was $6,069,521 at March 31, 2015 as compared to $6,027,936 at December 31, 2014 (see Section E. Consolidated Statements of Financial Position for details).

Commitments

The following is a summary of the Company's lease and debt obligations and commitments for the next five years from March 31, 2015.

Debt Category	2015/16	2016/17	2017/18	2018/19	2019/20
	$	$	$	$	$
Finance lease obligations (1)	65,303	33,384	37,132	7,219	-
BDC Financing (2) (3)	286,662	286,662	200,862	208,862	200,862
Secured Debenture (2)	-	1,000,000	-	-	-
Operating leases	277,168	277,168	277,168	277,168	207,876

(1) Includes principal and interest
(2) Principal only
(3) Based on BDC Financing drawn down as of March 31, 2015
(4) The Company's lease on its head office and shop facilities in Calgary expires December 31, 2019. Currently there are sub-lease arrangements in place in relation to this lease that provide rent of $32,800 for the period April 1, 2015 to July 31, 2015.

H. Off Balance Sheet Arrangements

There were no off balance sheet arrangements at March 31, 2015 or December 31, 2014.

I. Transactions with Related Parties

During the quarter ending March 31, 2015, the Company incurred legal fees from a firm which employs one of the directors of the Company in the amount of $nil ($3,903 for the three months ending March 31, 2014) of which $nil was in trade and other payables as at March 31, 2015 (December 31, 2014 - $2,805).

There were no other significant related party transactions.

J. Critical Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are described in Note 3 of the audited consolidated financial statements for the year ended December 31, 2014. There have been no changes since that date.

K. Changes in Accounting Policies including Initial Adoption

The significant accounting policies of the Company are outlined in note 4 of the audited consolidated financial statements for the year ended December 31, 2014. There have been no changes.

Future accounting pronouncements
Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after April 1, 2015 or later periods. The standards impacted that are applicable to the Company are as follows:

IFRS 9 Financial instruments – in July 2014, the ISAB issued IFRS 9 to replace IFRS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 includes a logical model for classification and measurement, a single forward-looking expected loss impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for years beginning on or after January 1, 2018

IFRS 15 Revenue from contracts with customers – in May 2014, the IASB issued IFRS 15, a new standard which provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 is effective for years beginning on or after January 1, 2017.

The Company has not determined the impact on its consolidated financial statements from the adoption of these future accounting pronouncements

L. Financial Instruments

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. For information on financial instruments refer to Note 4 (M) – Significant Accounting Policies – Non-derivative financial instruments in the audited consolidated financial statements at December 31, 2014 and Note 19 – Financial Instruments and risk management to the Interim Consolidated Financial Statements.

Risk management

The Company's activities are exposed to a variety of financial risks: interest rate risk, credit risk, liquidity risk and foreign exchange risk. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by financial management in conjunction with overall Company governance.

Interest Rate Risk

The Company has a loan facility with a Canadian chartered bank which, when utilized by the Company, provides loans that are subject to floating market rates. The Company had a balance outstanding for this loan facility at March 31, 2015 of $675,000. Future cash flow requirements could require the Company to utilize its line of credit to finance working capital for periods of time and during these time periods it would be exposed to interest rate risk. In addition, the BDC Financing, which had a balance of $1,215,882 outstanding at March 31, 2015, is subject to floating rates. Based on the floating rate debt outstanding at March 31, 2015 a 1% increase/decrease in interest rates would result in a decrease/increase in the comprehensive income (loss) of approximately $14,000.

Credit Risk

Financial instruments that subject the Company to credit risk consist primarily of trade receivables. The Company manages credit risk using credit approval and monitoring practices. At March 31, 2015, 7 customers accounted for approximately 92% of trade receivables (at December 31, 2014, 7 customers accounted for approximately 90% of trade receivables). (See Note 5 for details of credit policy and aging of outstanding trade receivables at March 31, 2015 and December 31, 2014).

Liquidity Risk

Liquidity risk management involves maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit lines. Due to the nature of the business, the Company aims to maintain flexibility in funding by keeping committed credit lines available and limiting the investment of available cash to short term risk free interest bearing deposits. The Company has a Credit Facility with a Canadian chartered bank which, when utilized by the Company, provides loans to finance working capital for periods of time. Under the Credit Facility, the bank will advance up to $1,000,000 on trade receivables less than ninety days outstanding at the end of each month and 50% of inventories (up to a maximum $250,000). In November 2014 the seasonal increase in the Credit Facility of $500,000, which normally runs from April to October each year, was extended until January 31, 2015. Based on these restrictions the actual Credit Facility availability at March 31, 2015 was $1,000,000 (December 31, 2014 - $1,500,000) of which $675,000 had been drawn down at March 31, 2015 ($1,110,000 at December 31, 2014).

The table below summarizes the maturity profile of the Corporation's financial liabilities at March 31, 2015 and December 31, 2014 based on contractual undiscounted payments.

	Less than 1 year	1 to 2 years	2 to 5 years	Total
As at March 31, 2015				
Bank overdraft	**$ 17,955**	**$ -**	**$ -**	**$ 17,955**
Bank operating loans	**675,000**	**-**	**-**	**675,000**
Trade and other payables	**1,787,521**	**-**	**-**	**1,787,521**
Long-term debt	**286,662**	**286,662**	**1,642,558**	**2,215,882**
Finance lease obligations	**56,938**	**29,822**	**42,361**	**129,121**
	$ 2,824,076	**$ 316,484**	**$ 1,684,919**	**$ 4,825,479**

	Less than 1 year	1 to 2 years	2 to 5 years	Total
As at December 31, 2014				
Bank overdraft	$ 194,154	$ -	$ -	$ 194,154
Bank operating loan	1,110,000	-	-	1,110,000
Trade and other payables	1,927,492	-	-	1,927,492
Long-term debt	286,662	286,662	1,642,558	2,215,882
Finance lease obligations	55,542	39,394	47,561	142,497
	$ 3,573,850	$ 326,056	$ 1,690,119	$ 5,590,025

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure relates to trade receivables, and the collection thereof, denominated in USD and the operations of its U.S. subsidiary which are predominantly in USD. The Company does not hedge these items as the timing of related transactions is not certain.

As at March 31, 2015 and December 31, 2014 the following balances were denominated in USD:

	2015	2014
Cash and cash equivalents	**$ 15,573**	$ 37,247
Trade and other receivables	**$ 624,454**	$ 138,024
Inventory	**$ 1,906**	$ 1,906
Prepaid expenses and deposits	**$ 13,342**	$ 14,601
Trade and other payables	**$ 305,944**	$ 56,269

The Company's primary foreign exchange sensitivity is in relation to movements of the USD against the Canadian dollar. Based on the USD balances outstanding at March 31, 205, a 5% increase/decrease of the USD against the Canadian dollar would result in an increase/decrease in total annual comprehensive income (loss) of approximately $12,500.

M. Disclosure of Outstanding Share Data

As at March 31, 2015 and May 27, 2015, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

	Authorized	Outstanding as at March 31, 2015	Outstanding as at May 27, 2015
Voting or equity securities issued and outstanding	Unlimited Common Shares	34,025,994 Common Shares	34,175,994 Common Shares
Securities convertible or exercisable into voting or equity securities - stock options	Stock options to acquire up to 10% of outstanding Common Shares	Stock options to acquire 3,190,000 Common Shares at an exercise price at between $0.145-$0.24	Stock options to acquire 3,190,000 Common Shares at an exercise price at between $0.145-$0.24

In the three months ended March 31, 2015 the Company granted 100,000 options to employees with an exercise price of $0.20.

See Section N. Subsequent Events

N. Subsequent Events

On April 7, 2015 a director of the Company exercised 150,000 options with an exercise price of $0.15 resulting in the issue of 150,000 common shares for proceeds of $22,500.

On April 15, 2015 150,000 stock options were granted to a director with an exercise price of $0.19.

On May 22, 2015, a wholly owned subsidiary of the Company, CEMATRIX (Canada) Inc., entered into a new financing agreement with Tallinn Capital Mezzanine Limited Partnership through its general partner Tallinn Capital Partners Corp. ("Tallinn Capital") for up to $2,000,000 of working capital financing to replace its Credit Facility with a Canadian chartered bank.

The agreement with Tallinn Capital consists of a mezzanine loan of $750,000 (the "Mezzanine Loan") and a receivable purchasing agreement for the sale of up to $1,250,000 of trade receivables (the "Receivable Purchase Agreement") (collectively the "Tallinn Financing").

The proceeds from the Mezzanine Loan were used to repay the Company's Credit Facility with a Canadian chartered bank and to provide working capital financing.

The Mezzanine Loan, bears interest at 16.5%, payable monthly in arrears, and matures on March 31, 2016. This loan is secured by $1,000,000 in current quality receivables of the Corporation. The Company has the option to make prepayments at any time after October 31, 2015 and prior to maturity in multiples of $250,000. Trade receivables of $1,000,000, excluding those trade receivables sold under the Receivable Purchase Agreement, must be maintained to support this loan.

The Receivable Purchase Agreement, which is available on the purchase of specific trade receivable invoices, is for up to $1,250,000 and will be used for working capital financing. For qualifying sales invoices, which are purchased under the Receivable Purchase Agreement, CEMATRIX (Canada) Inc. will pay a discount rate of 2.25% for the first 30 days that the sales invoice is outstanding, with a further daily discount rate of 0.075% until the sales invoice is collected.

The Tallinn Financing is secured by corporate guarantees by the Company and CEMATRIX (USA) Inc. and general security agreements providing a floating first charge over all present and after acquired personal property of the Company, CEMATRIX (Canada) Inc. and CEMTRIX (USA) Inc.

O. Outlook

The outlook for 2015 remains positive - the Tallinn Financing will provide the necessary funding to finance sales growth; two new production units will be commissioned in the next month which will increase the annual production capacity by up to 60%; and management is still forecasting continued growth in Canadian infrastructure sales, growth in U.S. infrastructure sales and significant sales in the oil and gas sector on projects that are already underway.

<u>CEMATRIX CORPORATION</u>
<u>www.cematrix.com</u>

Form 51-102F1 - Management's Discussion & Analysis
For the Quarter Ended March 31, 2015

Appendix A – Forward Looking Statements

The forward-looking statements in the MD&A for the quarter ending March 31, 2014 are outlined below:

Page 5 – Results of Operations for the Quarter Ending March 31, 2015

The gross margin percentage in the first quarter of 2014 was negatively affected by winter construction costs, client changes to planned production plans and schedules and lower introductory pricing on certain projects. These conditions are not forecast to continue through the balance of the year.

Page 9 – Liquidity, Capital Resources and Commitments - Liquidity

Management expects that the replacement of the Company's Credit Facility with the new working capital financing agreement will improve the Company's ability to fund its operations through its forecast growth in sales, as the Credit Facility did not allow for this growth

Page 14 – Outlook

The outlook for 2015 remains positive - the Tallinn Financing will provide the necessary funding to finance sales growth; two new production units will be commissioned in the next month which will increase the annual production capacity by up to 60%; and management is still forecasting continued growth in Canadian infrastructure sales, growth in U.S. infrastructure sales and significant sales in the oil and gas sector on projects that are already underway.

The foregoing statements contain forward-looking statements which are based on sales and earnings forecasts prepared for 2015; sales forecasts include work which is under contract for 2015, as well as probability adjusted forecasts for projects on which the Company has placed or will place bids in 2015, where the probabilities applied to the sales forecast are based on management's assessment of the particular project based on historical experience and the stage the project is in the sales cycle; earnings forecasts for 2015 are based on the above sales forecast and the forecast of the Company's cost structure; There are a number of risks that could affect those assumptions which include: contracted work is delayed; the failure of 2015 sales to materialize, because of project delays or cancelations or because CEMATRIX's cellular concrete is not specified into projects; management's assumptions in applying probabilities to the various projects in the sales forecast are incorrect; and the Company's cost structure is significantly different than forecast.