

CEMATRIX CORPORATION

NEWS RELEASE

CEMATRIX Corporation Announces Record Second Quarter Financial Results

Calgary, Alberta – August 4, 2016: CEMATRIX Corporation (TSXV: CVX) (the “Corporation” or the “Company” or “CEMATRIX”) announces the release of its consolidated financial results for the three and six months ended June 30, 2016.

Mid-Year Review

The Company had a solid start to 2016 in terms of record sales growth and contracted sales that are now at \$11.3 million,

The Company also announced that its wholly owned subsidiary, CEMATRIX (Canada) Inc., entered into a joint marketing agreement with Lafarge Canada Inc. (“Lafarge”), a member of LafargeHolcim (the “Joint Marketing Agreement”). The renewable five-year Joint Marketing Agreement is for the joint development of cellular concrete markets throughout Canada to increase the awareness of the construction challenges which can be solved by cellular concrete solutions and thereby grow sales.

In order to support this Joint Marketing Agreement, the continued growth of cellular concrete markets and the expected additional growth to be generated from this new working relationship, the Company intends to construct two new dry mix units, at an estimated cost of \$2.5 million, and plans to have this equipment operational by the spring of 2017. The Company will also continue to hire, train and carry additional operating staff, as it ramps up to prepare for the additional expected sales growth, which will put pressure on short term margins.

Sales for the six months ended June 30, 2016, of \$5.926 million, were at a record high for the Company and were up 18.9% in comparison to the same period in 2015. Gross margin on sales of \$1.223 million, or 20.6% (as compared to 24.4% in 2015) increased by \$9,569. The margin percentage on sales year to date in 2016 is below the yearly targeted level due to increased labour costs for hiring and training additional staff in preparation of expected sales growth through the balance of 2016 and in 2017, higher fixed operating costs and lower margins on an ongoing oil and gas project due to a change in production methods to facilitate the lower daily volume requirements. Management expects the margin percentage on sales to improve through the balance of 2016 as sales volume levels increase to cover these fixed operating costs. EBITDA (earnings before interest, taxes, depreciation and amortization, including non-cash stock based compensation) was \$294,288 for the six months ended June 30, 2016.

In order to improve the liquidity and to reduce finance costs, the Company, through its wholly owned subsidiary, CEMATRIX (Canada) Inc., in April completed the transfer of its day to day banking to the Canadian Western Bank pursuant to an agreement for a \$2,000,000 demand operating loan. The new demand operating loan was used to repay the balance of the outstanding mezzanine loan which had an interest rate of 16.5% and will be used to finance day-to-day operations. In addition, CEMATRIX (Canada) Inc. entered into an agreement with the Business Development Bank of Canada which will provide the Company with \$500,000 of additional working capital financing. This will be used, as required, to fund incremental product testing and the implementation of a new sales and project management system. In addition, CEMATRIX (Canada) Inc. negotiated a one year extension of the principal repayment on the Secured Debenture to February 2018.

Based on quotes that have been submitted, or are in the process of being submitted, management is forecasting strong growth in Canadian and U.S. infrastructure sales for the remainder of 2016 and 2017. Sales in the oil and gas sector will remain steady but at a lower level than in 2015 and 2016 year to date. Contracted sales are already at \$11.3 million and are expected to increase significantly for projects scheduled for the remainder of 2016 and 2017.

Management also expects to see increased sales development as the Joint Marketing Agreement with Lafarge becomes operational. One of the significant benefits to this Joint Marketing Agreement is that Lafarge has a large sales team throughout Canada, but it will take some time to educate their sales staff and to start to realize on the benefits of this new business arrangement

“Our sales pipeline for projects scheduled for 2016 and 2017 are at the highest level in our history, excluding any potential additional sales expected to be generated from the recent Joint Marketing Agreement with Lafarge” stated Jeff Kendrick, President and CEO of CEMATRIX. “We are taking the necessary steps to prepare the Company for this significant sales growth by building the additional required equipment, adding operational staff to be hired and trained, increasing product testing to facilitate marketing efforts and implementing the internal systems that will allow our staff to manage larger projects more efficiently.”

Financial Results

Selected financial information for the three and six months ended June 30, 2016 and 2015 is as follows:

	Three months ended June 30			Six months ended June 30		
	2016	2015	Change	2016	2015	Change
Revenue	\$ <u>2,755,072</u>	\$ <u>2,164,286</u>	\$ <u>590,786</u>	\$ <u>5,925,761</u>	\$ <u>4,983,308</u>	\$ <u>942,453</u>
Gross margin	\$ <u>492,677</u>	\$ <u>574,542</u>	\$ <u>(81,865)</u>	\$ <u>1,222,823</u>	\$ <u>1,213,254</u>	\$ <u>9,569</u>
Operating expenses	<u>(607,516)</u>	<u>(527,526)</u>	<u>(79,990)</u>	<u>(1,205,049)</u>	<u>(1,059,921)</u>	<u>(145,128)</u>
Operating income (loss)	<u>(114,839)</u>	<u>47,016</u>	<u>(161,855)</u>	<u>17,774</u>	<u>153,333</u>	<u>(135,559)</u>
Non-cash stock based compensation	<u>(39,241)</u>	<u>(70,890)</u>	<u>31,649</u>	<u>(63,320)</u>	<u>(128,272)</u>	<u>64,952</u>
Finance costs	<u>(46,893)</u>	<u>(65,608)</u>	<u>18,715</u>	<u>(119,289)</u>	<u>(122,452)</u>	<u>3,163</u>
Other income	<u>29,941</u>	<u>5,624</u>	<u>24,317</u>	<u>39,077</u>	<u>20,989</u>	<u>18,088</u>
Loss before income taxes	<u>(171,032)</u>	<u>(83,858)</u>	<u>(87,174)</u>	<u>(125,758)</u>	<u>(76,402)</u>	<u>(49,356)</u>
Provision of deferred taxes	<u>33,223</u>	<u>23,957</u>	<u>9,266</u>	<u>(15,000)</u>	<u>21,212</u>	<u>(36,212)</u>
Loss attributable to common shareholders	<u>(137,809)</u>	<u>(59,901)</u>	<u>(77,908)</u>	<u>(140,758)</u>	<u>(55,190)</u>	<u>(85,568)</u>
Unrealized foreign exchange loss on translation of foreign subsidiary	<u>(10,310)</u>	<u>(31,077)</u>	<u>20,767</u>	<u>(29,848)</u>	<u>(38,209)</u>	<u>8,361</u>
Comprehensive Loss	\$ <u>(148,119)</u>	\$ <u>(90,978)</u>	\$ <u>(57,141)</u>	\$ <u>(170,606)</u>	\$ <u>(93,399)</u>	\$ <u>(77,207)</u>
Loss per common share	\$ <u>(0.004)</u>	\$ <u>(0.002)</u>	\$ <u>(0.002)</u>	\$ <u>(0.004)</u>	\$ <u>(0.002)</u>	\$ <u>(0.002)</u>

This press release should be read in conjunction with the Corporation's unaudited Consolidated Financial Statements and Management Discussion and Analysis for the three and six months ended June 30, 2016, both of which can be found on SEDAR.

CEMATRIX is an Alberta corporation with its head offices in Calgary, Alberta. The Corporation, through its wholly owned subsidiary, is a rapidly growing, cash flow positive company that manufactures and supplies technologically advanced cellular concrete products developed from proprietary formulations. This unique cement based material with superior thermal protection, delivers a cost-effective, innovative solution to a broad range of problems facing the infrastructure, industrial (including oil and gas) and commercial markets.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Forward-looking information: This news release contains certain information that is forward looking and is subject to important risks and uncertainties (such statements are usually accompanied by words such as "anticipate", "expect", "would" or other similar words). Forward looking statements in this document are intended to provide CEMATRIX security holders and potential investors with information regarding CEMATRIX and its subsidiaries' future financial and operations plans and outlook. All forward looking statements reflect CEMATRIX's beliefs and assumptions based on information available at the time the statements were made. Readers are cautioned not to place undue reliance on this forward looking information. CEMATRIX undertakes no obligation to update or revise forward looking information except as required by law. For additional information on the assumptions made and the risks and uncertainties which may cause actual results to differ from the anticipated results, refer the CEMATRIX's Management Discussion and Analysis dated August 3, 2016 under CEMATRIX's profile on SEDAR at www.sedar.com and other reports filed by CEMATRIX with Canadian securities regulators.