

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

CEMATRIX Corporation (the "Company")
5440 53rd Street SE
Calgary, Alberta T2C 4B6

Item 2 Date of Material Change

February 23, 2018

Item 3 News Release

February 26, 2018

Method(s) of dissemination are through Marketwired.

Item 4 Summary of Material Change

The Company announces that an arm's length Letter of Intent ("LOI") dated February 23, 2018, been executed whereby the Company has the exclusive right to acquire all issued and outstanding shares of MixOnSite USA, Inc., a private California S corporation with a head office in Buffalo Grove, Illinois ("MOS"). MOS is a supplier of cellular concrete for a wide variety of construction applications in the United States.

Under terms of the proposed Agreement, the Company will pay to the Ed Weiner, the holder of all of the issued and outstanding shares of MOS, cash in the amount of \$2,500,000 (USD), a secured convertible note in the amount of \$2,000,000 (USD) and • common shares of CEMATRIX. In addition to the consideration payable, the Company will pay an earn-out calculated on the operations of MOS for three years following closing of the Acquisition.

Coincident with the proposed transaction will be the appointment of Mr. Ed Weiner to the Board of the Company, joining the current Board of Directors.

Item 5 Full Description of Material Change

Item 5.1 Full Description of Material Change

Please see the attached new release of February 26, 2018.

Item 5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102, state the reasons for such reliance.

N/A

Item 7 Omitted Information

N/A

Item 8 Executive Officer

Jeffrey Kendrick,
President and Chief Executive Officer
Phone: (403) 219-0484

Item 9 Date of Report

February 26, 2018

CEMATRIX CORPORATION

NEWS RELEASE

CEMATRIX Corporation Announces Letter of Intent for Proposed Acquisition of MixOnSite USA, Inc.

Calgary, Alberta – February 26, 2018: CEMATRIX Corporation (TSXV: CVX) (the “**Corporation**” or “**CEMATRIX**”) is pleased to announce that it has entered into a letter of intent with MixOnSite USA, Inc. (“**MOS**”) dated February 23, 2018 (the “**Letter of Intent**”) in respect of a proposed transaction pursuant to which CEMATRIX is anticipated to acquire all of the issued and outstanding shares of MOS (the “**MOS Shares**”), such that MOS will be a wholly owned subsidiary of CEMATRIX (the “**Acquisition**”). It is currently anticipated that the Acquisition will occur as a share sale, with the final structure of the Acquisition being subject to receipt of tax, corporate and securities law advice for both CEMATRIX and MOS. Upon completion of the Acquisition, MOS, or such other appropriate US entity the Purchaser uses to acquire the Shares and continue the operations of MOS (the “**Operational Subsidiary**”), will continue to carry on the business of MOS.

“MOS is a profitable growing supplier of cellular concrete in the United States” stated Jeff Kendrick, President and Chief Executive Officer of CEMATRIX. “MOS’ sales have averaged approximately \$10,000,000 (USD) and EBITDA has averaged approximately \$1,300,000 (USD) over the past two years ended December 31, 2017. Additionally, for the year ended December 31, 2018, MOS already has over \$12,000,000 (USD) either contracted or verbally awarded.

Besides the increased sales, profits and cash flows MOS brings to CEMATRIX, MOS owns certain technologies that management believes can benefit CEMATRIX. In addition, the existing CEMATRIX technologies stand to make MOS a stronger cellular concrete provider in the United States. MOS also owns three dry mix units and four wet mix units, which will increase CEMATRIX group’s seasonally adjusted production capacity to in excess of 1,000,000 cubic meters.

Of note, on closing of the Acquisition, the owner of MOS, Ed Weiner, who will become a significant shareholder of CEMATRIX, has agreed to become a Director of CEMATRIX and is expected to provide consulting services to our US operations during a three year transition period. Furthermore, the owner’s son who has lead MOS for the past number of years will continue as President of MOS and provide his expertise for at least three years after closing, although he has already indicated his desire to remain a part of the CEMATRIX team in the future.”

General Information on MOS

MOS is an S Corporation incorporated under the laws of California, with a head office in Buffalo Grove, Illinois. MOS is a contractor in the same business as CEMATRIX specializing in low density foam concrete and offering complete installation services including technical mix design support and development for a wide variety of construction applications in the United States. All of the MOS Shares are owned by the founder of MOS, Ed Weiner (the “**Vendor**”).

The Acquisition

Pursuant to the Letter of Intent, the purchase price for the MOS Shares shall be paid to the Vendor by CEMATRIX as follows:

- cash in the amount of \$2,500,000 (USD);
- secured convertible note (the “**Convertible Note**”) issued by the Purchaser in the amount of \$2,000,000 (USD);
- 3,343,421 common shares of CEMATRIX (the “**CEMATRIX Shares**”) issued at \$0.19 per CEMATRIX Share; and
- earn-out payment (the “**Earn-out**”) calculated on the operations of the Operational Subsidiary for three years following closing of the Acquisition.

The consideration paid for the MOS Shares shall approximately be \$5,000,000 (USD) as well as payment of the

Earn-out.

The Convertible Note will pay interest to the holder at a rate of 8% per year, payable quarterly, for a period of three years. The Convertible Note will convert into CEMATRIX Shares at the option of the holder, at any time, at \$0.2375 per CEMATRIX Share. CEMATRIX may repay the Convertible Note upon 30 days' written notice after a period of 12 months, subject to an early payment penalty.

The Earn-out will pay the Vendor 70% of the Operational Subsidiary's EBITDA above \$500,000 (USD) for the first year after closing of the Acquisition and 65% of the Operational Subsidiary's EBITDA above \$500,000 (USD) for the second and third years after closing of the Acquisition.

In addition to the consideration payable, pursuant to the Letter of Intent, the Vendor has agreed to be appointed director of the Corporation and to remain a consultant of the Operational Subsidiary for a period of three years. Further, the Vendor has agreed to provide interim financing of the Operational Subsidiary in an amount of \$750,000 (USD) at a rate of 2% above the prime rate listed at MOS' main bank for a period of one year from the closing of the Acquisition for the purposes of maintaining working capital in the Operational Subsidiary during the transition of control.

Proposed Financing

The Letter of Intent contains a condition that CEMATRIX obtain sufficient financing to complete the Acquisition and maintain sufficient working capital after closing of the Acquisition in its sole discretion. Such financing is anticipated to come from a combination of debt obtained through one of the Corporation's Canadian lenders and secured by the assets of the Operational Subsidiary in an amount up to \$2,500,000 (USD), pending appraisal of MOS' fixed assets, and an additional amount through a combination of an expanded operating facility and private placement financing (the "**Private Placement**"), which are expected to be announced and completed prior to the closing of the Acquisition. The net proceeds from the Private Placement will be used to fund the Acquisition and general working capital for CEMATRIX.

Additional Information

The Acquisition will be carried out by parties dealing at arm's length to one another and therefore will not be considered to be a "Non-Arm's Length Transaction", as such term is defined under the policies of the Exchange, however, the Acquisition will constitute a "Fundamental Acquisition" under the policies of the Exchange. No finder's fees are payable by CEMATRIX as a part of the Acquisition.

The transaction terms outlined in the Letter of Intent are binding on the parties however, the Letter of Intent is expected to be superseded by a definitive agreement (the "**Definitive Agreement**") to be signed between the parties (which agreement shall include representations, warranties, conditions and covenants typical for a transaction of this nature). The Acquisition is subject to the receipt of all necessary regulatory, corporate and third party approvals, including the approval of the Exchange, and the satisfaction of customary closing conditions: including the approval of the Definitive Agreement and the Acquisition by the board directors of CEMATRIX; completion of due diligence investigations to the satisfaction of CEMATRIX; the arranging of appropriate financing by CEMATRIX for the Acquisition; MOS retaining working capital of \$750,000 (USD) at closing; compliance with all applicable regulatory requirements and conditions in connection with the Acquisition; the absence of any material adverse condition with respect to the financial and operational condition or the assets of MOS; and the delivery of customary closing documentation.

CEMATRIX is an Alberta corporation with its head offices in Calgary, Alberta. The Corporation, through its wholly owned subsidiary, is a rapidly growing 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. The Corporation is a reporting issuer in the provinces of British Columbia and Alberta.

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

For further information, please contact:

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This news release contains forward-looking information within the meaning of applicable securities laws relating to the proposal to complete the Acquisition and associated transactions, including statements regarding the terms and conditions of the Acquisition, the Corporation's debt financing, the Private Placement and the use of proceeds of the Private Placement. The information about MOS contained in the press release has not been independently verified by the Corporation. Although the Corporation believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Corporation can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks that the parties will not proceed with the Acquisition and associated transactions will differ from those that currently are contemplated, and that the Acquisition and associated transactions will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities). The terms and conditions of the Acquisition may change based on the Corporation's due diligence and the receipt of tax, corporate and securities law advice for both CEMATRIX and MOS. The statements in this press release are made as of the date of this release. The Corporation undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of the Corporation, MOS, their securities, or their respective financial or operating results (as applicable).