CEMATRIX CORPORATION
Management's Discussion and Analysis
Quarter Ended March 31, 2008

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CEMATRIX CORPORATION
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Form 51-102F1 - Management's Discussion & Analysis
For the Quarter Ended March 31, 2008

*The following is the management's discussion and analysis ("**MD&A**") of CEMATRIX Corporation ("CEMATRIX" or the "Company") for the quarter ended March 31, 2008. This MD&A should be read in conjunction with the unaudited financial statements of the Company for the quarter ended March 31, 2008 (the "Reporting Period") and related notes thereto and the audited financial statements and MD&A for the year ended December 31, 2007. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("**GAAP**"). 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 (the "Exchange") under the trading symbol "CVX".

The Audit Committee of the Company reviewed and recommended for approval by the Board of Directors of the Company the interim financial statements and MD&A for the quarter ended March 31, 2008 and the Board of Directors has reviewed and approved them.

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A. Forward Looking Statements

Except for historical information, all statements made in this MD&A may contain forward-looking statements. Forward looking statements are based on current expectations and assumptions that involve a number of risks and uncertainties, certain of which are beyond the Company's control and could cause actual events or results to differ materially from those reflected in the MD&A. Forward-looking statements are based on the estimates and opinions of the Company's management at the time the statements were made. These forward looking statements typically contain the words "anticipate", "believe", "estimate", "intend", "expect", "may", "will", "should", or other similar terms.

All such forward looking information is based on certain assumptions and analysis made by management in light of experience, perception of historical trends, current conditions and expected future developments, as well as other factors management believed to be appropriate in the circumstances. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including but not limited to the following:

1. changing domestic economic conditions including, but not limited to the possible effects of the new Alberta royalty program and proposed environmental policies for the construction industry, specifically the planned developments in the oil sands, including refinery construction;
2. changing international industry and economic conditions including the affects, if any, of a potential recession in the United States;
3. the volatility of prices, specifically oil prices and the key raw materials used in producing the Company's cellular concrete products, that being cement and flyash;
4. the availability of raw materials, specifically cement and flyash given the high demand for these products in Western Canada;
5. the supply of skilled labour in a market where such labour is in demand by every sector of business and industry;
6. the impact of competitive products, specifically rigid insulations and other insulating products as used in construction applications;
7. cellular concrete applications continue to be developed in the Company's markets which makes upside demand difficult to predict; and
8. the timely commencement of projects by customers as planned.

As a result of such forward looking information, no assurance can be given that any of the events anticipated by the forward-looking information will transpire; or if any of them do so, what benefits will be derived there from. Based on this, actual results may differ materially from those projected, or implied herein. The Company assumes no obligation to update forward-looking statements, should circumstances or management's estimates change except as required by securities law. In addition, the reader is cautioned that historical results are not necessarily indicative of future performance.

The information contained in this MD&A is expressly qualified by this cautionary statement.

B. Corporate Overview

CEMATRIX was incorporated on March 22, 2005 under the *Business Corporations Act (Alberta)* as "Moonshoot Capital Corp." By a Certificate of Amendment issued on May 31, 2006, the Company's name was changed to "CEMATRIX CORPORATION".

Through its wholly-owned subsidiary, CEMATRIX (Canada) Inc. ("Old CEMATRIX"), the Company is a manufacturer and supplier of technologically advanced cellular concrete products with applications in a variety of markets, currently focusing on the oil and gas construction and infrastructure construction markets.

Cellular concrete is a cement slurry based product that is combined with air to result in a very lightweight, foamed concrete-like material that has thermal insulating qualities with moderate structural strength. It is generally lighter than water and its main use is the replacement of rigid and other types of insulation, however there are many other uses including the stabilization or replacement of weak or unstable soils.

C. Operations and Overall Performance

The Company's results for the quarter ended March 31, 2008 reflect the seasonality nature of its business. The Company also experienced delays in projects that were scheduled to commence during the period, but did not commence until April of the current year.

Results of Operations:
Quarter ended March 31, 2008

The Company's revenue is generated from the sale of cellular concrete and is recognized as the Company processes and places the cellular concrete on site, based on the number of cubic metres processed and placed.

The nature of the Company's sales is "one-of" type sales, meaning there is little in the way of carry over in sales from year to year; except to the extent that the Company has repeat business related to a specific application or location. For example, the Company's cellular concrete is one of the City of Calgary specifications for insulation of shallow buried utilities. So every year the Company completes various projects in Calgary, when shallow buried utility insulation is in the specification.

Total revenues for the quarter ended March 31, 2008 were $225,000 as compared to $768,000 for the quarter ended March 31, 2007. This 70.7% decrease in revenues is due mainly to the timing of projects. Due to the delay in scheduled projects, volumes processed during the quarter were 64.3% lower than the volume sold in the same period in the previous year and the volumes sold were at a lower average price per cubic metre.

Gross margins on sales generated during the quarter were a negative ($130,000), which is a $286,000 decrease from the margin generated in the same period the previous year of $156,000. The lower margins are the result of the decrease in sales volume combined with higher fixed costs associated with the operations department including equipment overhaul and maintenance costs.

Total expenses for the quarter ended March 31, 2008 were $414,000 as compared to $346,000 for the same period the previous year. This $68,000 or 19.6% increase is primarily due to the following:

1. An increase in general and administrative salaries and related expenses associated with hiring a full time CFO ($40,000); and
2. An increase in sales, marketing and engineering salaries and related expenses associated with hiring a Geotechnical Engineer.

The Net Income for the quarter ended March 31, 2008 is ($540,000), which is a $350,000 increase from the loss incurred during the same period the previous year of ($190,000).

Of note, due to a change in classification of expenses made by the Company in 2007, certain of the comparative numbers have changed in 2007 from that reported in the MD&A for the quarter ended March 31, 2007. The accounts affected were cost of sales and general and administrative expenses; with cost of sales being increased and general and administrative expenses being decreased by $58,000 respectively. The change was made to better reflect the all-in costs of sales approach maintained by the Company.

D. Selected Financial Information and Summary of Financial Results

General
As a result of the Acquisition, which occurred on April 11, 2006, the financial statements prior to amalgamation reflect those of CEMATRIX (Canada) Inc., the Company's wholly-owned operating subsidiary.

The consolidated financial statements are issued under the name of the legal parent but are deemed to be a continuation of the legal subsidiary. As a result, the comparative consolidated balance sheets, statements of income (loss) and comprehensive income and the statement of cash flows for the periods up to June 30, 2006 are those of Old CEMATRIX. Likewise, the earnings per share for comparative periods have been computed by dividing the total earnings by the number of shares issued in the reverse takeover transaction.

Quarterly Results
Due to the seasonal nature of the Company's business, which typically follows the construction season in Western 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. This trend is expected to continue, even though the Company is 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	Total Revenues	Net Income (Loss) Total *	Per Share Basic	Per Share Diluted
	$	$	$	$
2008 Year				
March 31, 2008	**225,000**	**(540,000)**	**(0.016)**	**(0.014)**
2007 Year				
December 31, 2007	1,228,000	(39,000)	0.000	0.000
September 30, 2007	3,117,000	764,000	0.023	0.019
June 30, 2007	2,382,000	275,000	0.008	0.007
March 31, 2007	768,000	(190,000)	(0.006)	(0.005)
2006 Year				
December 31, 2006	1,100,000	100,000	0.004	0.004
September 30, 2006	439,000	(215,000)	(0.010)	(0.010)
June 30, 2006	234,000	(583,000)	(0.025)	(0.024)
March 31, 2006	603,000	(213,000)	(0.009)	(0.009)

E. Liquidity and Capital Resources

On March 31, 2008, the Company had consolidated working capital of $1,372,000, which is a $532,000 decrease from the consolidated working capital of $1,904,000 at December 31, 2007. The decrease is primarily due to the use of cash to finance the Company's working capital shortfall during the first quarter, which is typically off season for the Company.

Of note, the Company has reclassified the full amount of the loan from the Agriculture Financial Services Corporation ("AFSC") as a current obligation for the quarter ended March 31, 2008 and the year ended December 31, 2007, even though, it is the intention of the Company to renew this loan in December of 2008 for an additional two years, as contemplated within the original loan agreement.

Subsequent to the quarter ended March 31, 2008, the Company's lenders, the RBC approved a change in the operating credit availability calculation to include 50% of inventories up to a maximum of $250,000 in addition to 75% of the Company's current receivables. This change will provide the Company with increased flexibility throughout the year. The RBC also approved a $150,000 capital lease for the acquisition of a portable batching system and two portable silos.

Based on projects under contract and forecasted, the Company anticipates that it will have sufficient working capital in place to facilitate the continued growth of the Company.

During the first quarter ended March 31, 2008, the Company incurred $93,000 (2007 - $90,000) in capital expenditures. It is the Company's practice to date, to finance smaller qualifying capital acquisitions through capital leases and to pursue bank financing for larger acquisitions. There were no significant capital acquisitions during the first quarter of 2008 or 2007, but the Company did finance $60,000 of the 2008 (2007 - $Nil) acquisitions through capital leases.

In order to better service its customers and facilitate the current and expected growth, the Company entered into a five year lease on a new premises commencing April 1, 2008. The new facility provides the Company with 18,750 square feet of warehouse space, a two and one half acre secured yard and 4,000 square feet of office space. This is a significant move up from the 6,900 square feet of combined office and warehouse space utilized for the past five years and is projected to meet the Company's needs for the foreseeable future.

F. Continued Key Risks and Uncertainties

The risk and uncertainty factors affecting the Company in the future remain substantially unchanged from those included in the Company's annual MD&A for the year ended December 31, 2007.

G. Transactions with Related Parties

During the quarter, the Company incurred legal fees from a firm which employs two of the directors of the Company in the amount of $4,889 (December 31, 2007 - $31,019). Included in accounts payable at March 31, 2008 is $4,428 (December 31, 2007 - $5,300) relating to these transactions. These transactions are in the normal course of business and are recorded at their exchange amount.

Included in accounts payable are wages and other amounts payable or reimbursable to employees and contractors who are shareholders of $149 (2007 - $98).These amounts represent reimbursements for expenses paid on behalf of the Company, are in the normal course of business and are recorded at their exchange amount.

H. Changes in Accounting Policies including Initial Adoption

New Accounting Standards adopted

(a) Effective January 1, 2008, the Company adopted the CICA issued Handbook Section 1535, "Capital Disclosures". This standard requires that an entity disclose information that enables users of its financial statements to evaluate an entity's objectives, policies and processes for managing capital, including disclosures of any externally imposed capital requirements and the consequences of non-compliance. The new standard applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, specifically January 1, 2008 for the Company. As this standard only addresses disclosure requirements, there was no impact to the Company's financial statements.

(b) Effective January 1, 2008, the Company adopted the CICA issued Handbook Sections 3862 and 3863 to replace Section 3861, "Financial Instruments - Disclosure and Presentation". This standard requires an increased emphasis on disclosures about the nature and extent of risk arising from financial instruments and how an entity manages those risks. The new standard applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, specifically January 1, 2008 for the Company. As this standard only addresses presentation and disclosure requirements, there was no impact to the Company's financial statements.

(c) Effective January 1, 2008, the Company adopted the CICA issued Handbook Section 3031, "Inventories" to harmonize accounting for inventories under Canadian GAAP with International Financial Reporting Standards. This standard requires the measurement of inventories at the lower of cost and net realizable value and includes guidance on the determination of cost, including the allocation of overheads and other costs to inventory. This standard requires the allocation of fixed production overheads to the costs of conversion to be based on the normal capacity of the production facilities. The standard also requires the consistent use of either first-in, first-out (FIFO) or weighted average cost formula to measure the cost of other inventories and requires the reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories. The new standard applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008, specifically January 1, 2008 for the Company. The adoption of this section did not have an impact on the Company's financial statements.

New Accounting Standards not yet implemented

(a) The CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", which will be adopted by the Company, effective January 1, 2009. The new Section replaces Section 3062 "Goodwill and Other Intangible Assets" and Section 3450, Research and Development Costs". Section 1000, "Financial statement Concepts" was also amended according to Section 3064. This new Section establishes standards for recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented companies. The Company is presently assessing the impact of this new accounting standard on its consolidated financial statements;

(b) In January 2006, the CICA adopted a strategic plan for the direction of accounting standards in Canada. Accounting standards for public companies in Canada are to converge with International Financial Reporting Standards ("IFRS") by 2011. On April 7, 2008, the Accounting Standards Board issued its exposure draft proposing to incorporate IFRS for interim and annual financial statements for fiscal years beginning on or after January 1, 2011 with earlier adoption permitted. The Company is presently assessing the impact of this new accounting standard on its consolidated financial statements;

I. Outlook

CEMATRIX's management expects continued sales growth over the long term, subject to annualized variations due to continuing market growth and the challenges associated with customers' project timing, particularly in the oil sands development.

Other external issues that may have some impact on the Company's future growth include:

1. Oil prices;
2. The new Alberta Royalty Plan;
3. The potential impact of the possible U.S. recession;
4. The strength of the Canadian dollar against the U.S. dollar; and
5. Government policies with respect the environment.

It is managements' opinion is that these issues will not have a significant impact on CEMATRIX's growth in the short term.