

**CEMATRIX CORPORATION**  
**NEWS RELEASE**

**CEMATRIX Corporation Announces Signing of Definitive Agreement  
for Acquisition of Pacific International Grout Co.**

**Calgary, Alberta – September 9, 2019:** CEMATRIX Corporation (TSXV: CVX) (the “**Corporation**” or “**CEMATRIX**”) is pleased to announce that the share purchase agreement (the “**Definitive Agreement**”) between the Corporation’s US subsidiary, Cematrix (USA) Inc. (“**Cematrix USA**”) and Pat Stephens (the “**Vendor**”), for the acquisition of all of the issued and outstanding shares (the “**PIGCO Shares**”) of Pacific International Grout Co. (“**PIGCO**”) which was initially announced on January 21, 2019 has been executed and is anticipated to close on October 1, 2019 (the “**Closing Date**”), with an effective date of August 31, 2019.

“The acquisition of PIGCO solidifies CEMATRIX as a leading supplier of cellular concrete in North America, in addition to now being a leading supplier of tunnel grout in the same territory, which is PIGCO’s key market expertise” stated Jeff Kendrick CEO and President of CEMATRIX. “Pat Stephens, through PIGCO has over 40 years of experience in tunnel grouting and geotechnical applications using cellular concrete, in North America, and internationally.. Pat Stephens has been the go-to expert for large and problematic tunnels. This bodes well for the CEMATRIX Group of Companies, as Mr. Stephens will continue to be part of the CEMATRIX team under a four-year contract following closing. CEMATRIX and PIGCO also have technologies that can benefit the other, which will also make CEMATRIX, PIGCO and last year’s acquisition, MixOnSite USA, Inc., stronger in their respective markets.”

Upon closing, PIGCO has approximately \$35.6 million (CDN) in contracted and verbally awarded sales based on yesterday’s closing exchange rate. Approximately \$8.1 million (USD) of this amount is contracted, with several contracts in process. \$24 million (USD) of this amount relates to the 2020 and 2021 fiscal years. This increases the CEMATRIX Group of Companies contracted and verbally awarded sales at closing to approximately \$68.4 million (CDN) of which approximately \$31.3 million (CDN) are contracted and approximately \$36.9 million (CDN) are scheduled to be completed in 2020/21.

Pursuant to the Definitive Agreement, the purchase price for the PIGCO Shares shall be paid on the Closing Date to the Vendor as follows:

- cash in the amount of \$2.8 million (USD) (the “**Cash Purchase Price**”);
- Vendor Financing in the amount of \$0.575 million (USD), to be repaid over six months commencing January 1, 2020; and
- 3,305,250 common shares of CEMATRIX (the “**CEMATRIX Shares**”) issued at a deemed price of \$0.20 per CEMATRIX Share.

The consideration paid for the PIGCO Shares shall be approximately \$3.875 million (USD) as well as payment of the Earn-out and payment of the Vendor Loan.

The earn-out payment (“**Earn-out**”) shall be calculated on the operations of PIGCO for four years following closing of the Acquisition, ending August 31, 2023 and will pay the Vendor 65% of the EBITDA above \$0.5 million (USD).

The Vendor loan totaling \$0.43 million (USD) shall be paid back to the Vendor following Closing, interest-free, in twelve equal monthly payments (the “**Vendor Loan**”). The Vendor Loan represents a shareholder loan advanced by the Vendor to PIGCO in the last 7 months to ensure that the equipment would be in a state that would put CEMATRIX in a better position to execute on the backing of sales contracts.

In addition to the consideration payable pursuant to the Definitive Agreement, the Vendor has agreed to be appointed as the President of PIGCO for a period of four years from the Closing Date. The Vendor shall receive 200,000 stock options (“**Options**”) for his role as President of PIGCO. The Options all vest as to one-third at 12 months, one-third and 24 months and one third at 36 months from the date of grant and have a three-year term to expiry.

Closing of the Acquisition is subject to the receipt of all necessary regulatory, corporate and third party approvals, including the approval of the TSX Venture Exchange, and the satisfaction of customary closing conditions: including; payment of the Purchase Price; PIGCO retaining working capital of \$0.25 million (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 PIGCO; and the delivery of customary closing documentation.

On the Closing Date, the Cash Purchase Price shall come from the term loan obtained from BDC.

CEMATRIX is an Alberta corporation with its head offices in Calgary, Alberta. The Corporation, through its d Canadian and US subsidiaries, 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.*

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*This news release contains forward-looking information within the meaning of applicable securities laws relating to the closing of the Acquisition and associated transactions, including statements regarding the terms and conditions of the Acquisition and the Corporation's debt financing. 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 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).*

*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 7, 2019 under CEMATRIX's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and other reports filed by CEMATRIX with Canadian securities regulators.*