

MATERIAL CHANGE REPORT

Section 75(2) of the *Securities Act* (Ontario)
Section 85(1)(b) of the *Securities Act* (British Columbia)
Section 146(1)(b) of the *Securities Act* (Alberta)
Section 73 of the *Securities Act* (Quebec)

Item 1. Name and Address of Company

Cimatec Environmental Engineering Inc.
931 Progress Avenue
Unit 8 - 10
Toronto, ON M1G 3V5

Telephone: (416) 289-8882
Facsimile: (416) 289-4185

Item 2. Date of Material Change

September 26, 2005

Item 3. News Release (including date and method of dissemination)

A news release was issued via CCN Matthews on September 27, 2005.

Item 4. Summary of Material Change

Cimatec Environmental Engineering Inc. ("Cimatec") advises that it has issued two convertible three-year term debentures bearing interest calculated at the Bank of Nova Scotia prime rate plus two percent in exchange for cancellation of \$800,953.00 of existing demand loans and certain trade payables. The balance of these existing demand loans and trade payables, totalling \$554,644.06 was cancelled in exchange for 3,697,626 common shares.

Concurrently in an arm's length private placement Cimatec issued 670,000 units.

Item 5. Full Description of Material Change

Cimatec Environmental Engineering Inc. (TSXV - CEG) ("Cimatec") advises that it has issued two convertible three-year term debentures bearing interest calculated at the Bank of Nova Scotia prime rate plus two percent in exchange for cancellation of \$800,953.00 of existing demand loans and certain trade payables. The debenture-holders have first security over all property of Cimatec subject to subordination that may be granted in the future to a Canadian chartered bank providing operating loans to Cimatec. The principal amount of the convertible debenture is convertible at the option of the holder at \$0.20 per common share.

The balance of these existing demand loans and trade payables, totalling \$554,644.06 have been exchanged for settlement of 3,697,626 common shares at a rate of \$0.15 per common share. One of the convertible debenture holders, also a participant in the shares for debt exchange, is a non-arm's length party. Two other participants in the shares for debt exchange are also non-arm's length parties.

Concurrently in an arm's length private placement Cimatec issued 670,000 units at a price of \$0.15 per unit for a total of \$100,500. Each unit comprises one common share and one share purchase warrant exercisable for a period of one year at an exercise price of \$0.20 per share.

Each of the securities issued is subject to a four-month hold period expiring January 27, 2005.

Item 6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

Inquiries in respect of the material change referred to herein may be made to:

Andrew Roblin, President
Cimatec Environmental Engineering Inc.
931 Progress Avenue
Unit 8 - 10
Toronto, ON M1G 3V5

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Facsimile: (416) 289-4185

Item 9. Date of Report

This report is dated as of the 29th day of September, 2005.