

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Family Memorials Inc. (the "Corporation")
1126 Roland St.
Thunder Bay, Ontario
P7B 5M4

Item 2 Date of Material Change

October 31, 2013

Item 3 News Release

The Corporation issued its press release on November 4, 2013 through the facilities of Marketwire.

Item 4 Summary of Material Change

The Corporation has closed the purchase of the shares of Remco Memorials Ltd. for a total purchase price of \$2,500,000. The Corporation has it has also closed on the sale of 3,657 units (\$3,664,314). The units were sold under a short form prospectus dated October 10, 2013 by way of an offering of a minimum of 3,200 units (\$3,206,400) and a maximum of 4,000 units (\$4,008,000), at a price of \$1,002 per unit (the "**Offering**"). Each unit consists of (a) one \$1,000 principal amount 12% secured subordinated debenture; and (b) 2,000 rights (the "**Rights**") at a price of \$0.001 per Right (\$2.00 per unit). Each Right is automatically convertible for no additional consideration, into one Common Share of the Corporation if the Corporation has not commenced paying a quarterly cash dividend of at least \$0.005 per Common Share on or prior to June 1, 2016.

Item 5 Full Description of Material Change

Please see the attached copy of the Corporation's press release of November 4, 2013 for a full description of the material change.

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

n/a

Item 7 Omitted Information

n/a

Item 8 Executive Officer

To obtain further information, contact Scott C. Kellaway, President and Chief Executive Officer of the Corporation at (807) 577-6463.

Item 9 Date of Report

November 6, 2013



FAMILY MEMORIALS ANNOUNCES CLOSING OF ACQUISITION OF REMCO MEMORIALS LTD. AND CLOSING OF PUBLIC OFFERING

Thunder Bay, Ontario – November 4, 2013 - Family Memorials Inc. (TSXV-FAM) (the “**Corporation**”) is pleased to announce that further to its press release of September 10, 2013, it has closed the purchase of the shares of Remco Memorials Ltd. (“**Remco**”) for a total purchase price of \$2,500,000.

Remco, the largest monument dealer in Western Canada, provides monuments and memorials to families and funeral homes in Alberta, Saskatchewan, Manitoba and British Columbia. It has nine retail locations and sales agreements with various funeral homes in Western Canada.

Scott Kellaway, President and CEO said “I am really excited about this acquisition as it is a perfect fit for our company and is in keeping with our vision to establish Family Memorials as the largest monument and memorials retailer in Canada.”

The Corporation also announces that, further to its press release of September 18, 2013, it has now closed on the sale of 3,657 units (\$3,664,314). The units were sold under a short form prospectus dated October 10, 2013 by way of an offering of a minimum of 3,200 units (\$3,206,400) and a maximum of 4,000 units (\$4,008,000), at a price of \$1,002 per unit (the “**Offering**”). Each unit consists of (a) one \$1,000 principal amount (the “**Principal Amount**”) 12% secured subordinated debenture (the “**Debenture**”); and (b) 2,000 rights (the “**Rights**”) at a price of \$0.001 per Right (\$2.00 per unit). Each Right is automatically convertible for no additional consideration, into one Common Share of the Corporation if the Corporation has not commenced paying a quarterly cash dividend of at least \$0.005 per Common Share on or prior to June 1, 2016.

The Debentures have a maturity date of January 31, 2016, provided that prior to the Maturity Date, payments towards the Principal Amount will be made quarterly with the amount of each quarterly payment to equal 15% of the sales of the Corporation, as set forth in the consolidated financial statements of the Corporation filed on SEDAR at www.sedar.com for each quarter ended March 31, June 30, September 30 and December 31, payable within 60 days after the end of each interim quarter and 120 days after the end of each annual year end, with the first payment to be made on August 29, 2014 for the quarter ended June 30, 2014 and continuing for each quarter thereafter until the Maturity Date. The Debentures will bear interest from the date of issue at an annual rate of 12% calculated and payable quarterly on the Principal Amount outstanding as at March 31, June 30, September 30 and December 31 in each year (each an “**Interest Calculation Date**”) and payable in cash within 30 days of each Interest Calculate Date, commencing with the Interest Calculation Date of December 31, 2013 (on a pro-rated basis from the issue date).

The Debentures are secured against all of the assets of the Corporation and its subsidiaries and are subordinate to the convertible debentures of the Corporation in the principal amount of \$5,357,000 referred to in the Corporation’s press release of July 13, 2011.

Macquarie Private Wealth Inc. (the “**Agent**”) acted as agent pursuant to the Offering and was paid a cash commission equal to 10% of the gross proceeds raised pursuant to the Offering. In addition, the Agent was granted a non-transferable option to purchase 1,828,500 Common Shares of the Corporation at \$0.12 per share, which option expires January 31, 2016.

A part of the net proceeds of the Offering were used to purchase the shares of Remco and the balance will be used for working capital.

About Family Memorials

The Corporation is a Canadian public company operating in the death care industry retailing monuments and memorials through wholly owned subsidiaries and with agency and sales agreements with funeral homes. The Corporation currently trades on the TSX venture exchange under the symbol “FAM”.

**NEITHER THE 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.**

For further information, please contact:

Scott C. Kellaway

President & CEO

Family Memorials Inc.

Tel: 807-577-6463

familymemorials@tbaytel.net

www.family-memorials.ca