

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Family Memorials Inc.
601 Squier St.
Thunder Bay, Ontario, P7B 4A7

Item 2 Date of Material Change

December 14, 2016

Item 3 News Release

The Corporation issued its press release on December 14, 2016 through the facilities of Marketwired.

Item 4 Summary of Material Change

The Corporation has received the written consent from in excess of 66 $\frac{2}{3}$ % of holders of 15% convertible secured debentures to amend the Debenture Indenture dated July 7, 2011, as amended pursuant to a First Supplemental Debenture Indenture dated October 31, 2013 and as further amended pursuant to a Second Supplemental Debenture Indenture dated June 10, 2016.

Item 5 Full Description of Material Change

See the attached copy of the Press Release of the Corporation dated December 14, 2016.

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 of the Corporation at (807) 577-6463

Item 9 Date of Report

December 14, 2016

NEWS RELEASE
For Immediate Release
December 14, 2016
Thunder Bay, Ontario

**FAMILY MEMORIALS INC.
Announces Amendment to Debenture Indenture & Debentures**

Thunder Bay, Ontario (December 14, 2016) – Family Memorials Inc. (TSXV: FAM) (“Family Memorials” or the “Corporation”) announces that it has received the written consent from in excess of 66 $\frac{2}{3}$ % of the holders of the Corporation’s 15% Convertible Secured Debentures (the “**Debentures**”) for approval of amendments to the Debenture Indenture dated July 7, 2011, as amended pursuant to a First Supplemental Debenture Indenture dated October 31, 2013 and as further amended pursuant to a Second Supplemental Debenture Indenture dated June 10, 2016 (together called the “**Debenture Indenture**”). The amendments include the change of the Maturity Date from December 15, 2016 to March 31, 2017, and the removal of the requirement to pay an installment of interest on December 15, 2016 and providing that interest accruing from and after June 16, 2016 shall be paid on the Maturity Date.

About Family Memorials

The Corporation is a Canadian public corporation 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:

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