

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, possessions or the District of Columbia (the "**United States**") or to a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) (a "**U.S. Person**") unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. Person. See "Plan of Distribution".

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of CEMATRIX Corporation at 9727 – 40 Street SE, Calgary, Alberta, Canada T2C 2P4, telephone 403-219-0484, and are also available electronically at www.sedar.com ("**SEDAR**").

New Issue

March 1, 2021

PRELIMINARY SHORT FORM PROSPECTUS

CEMATRIX[™]

Cellular Concrete Solutions

CEMATRIX CORPORATION

Minimum Offering: \$5,000,000 (7,692,307 Units)
Maximum Offering: \$10,000,000 (15,384,615 Units)
\$0.65 per Unit

This preliminary short form prospectus (this "**Prospectus**") qualifies the distribution (the "**Offering**") of a minimum of 7,692,307 (the "**Minimum Offering**") and a maximum of up to 15,384,615 units (the "**Units**") of CEMATRIX Corporation ("**CEMATRIX**" or the "**Corporation**") at a price of \$0.65 per Unit (the "**Offering Price**") for minimum aggregate gross proceeds of \$5,000,000 and maximum aggregate gross proceeds of up to \$10,000,000. Each Unit will consist of one common share in the capital of the Corporation (each a "**Common Share**" and, as the context requires, a "**Unit Share**") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Unit Warrant**"). The Units will immediately separate on issuance into Unit Shares and Unit Warrants.

The Unit Warrants will be governed by the terms of a warrant indenture (the "**Warrant Indenture**") to be entered into prior to or as of the Closing Date (as defined below) between the Corporation and Computershare Trust Company of Canada, as warrant agent thereunder. Each Unit Warrant will entitle the holder thereof to purchase one additional Common Share (each, a "**Unit Warrant Share**") at a price of \$0.81 per Unit Warrant Share until 2:00 p.m. (Calgary time) on the date that is 24 months from

the Closing Date (as defined herein), subject to adjustment in certain events. See "Description of Securities Being Distributed".

The Units will be offered and sold pursuant to the terms of an agreement (the "**Agency Agreement**") to be entered into between the Corporation, Gravititas Securities Inc. ("**Gravititas**") and Clarus Securities Inc. ("**Clarus**", and together with Gravititas, the "**Co-Lead Agents**"). The Co-Lead Agents, at their sole discretion shall be entitled to invite other investment dealers or exempt market dealers to form a syndicate of agents (collectively with the Co-Lead Agents, the "**Agents**"). The Offering Price and other terms of the Offering were determined by arm's length negotiation between the Corporation and the Co-Lead Agents. See "Plan of Distribution".

This Prospectus qualifies the distribution of the Unit Shares and the Unit Warrants comprising the Units, the Broker Warrants (as defined below) and the CFF Units (as defined below).

Cematrix Corporation is an Alberta corporation incorporated under the *Business Corporations Act* (Alberta). The Corporation's outstanding Common Shares are traded on the TSX Venture Exchange (the "**TSXV**") under the symbol "CVX" and trade in the United States on the OTCQB Venture Market (the "**OTC Markets**") under the symbol "CTXXF". On February 26, 2021, the last trading day before the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$0.73 and on the OTC Markets was US\$0.5663.

Price: \$0.65 per Unit

	Price to the Public	Agents' Fee ⁽¹⁾	Net Proceeds to the Corporation ⁽²⁾
Per Unit	\$0.65	\$0.0455	\$0.6045
Minimum Offering ⁽³⁾	\$5,000,000	\$350,000	\$4,650,000
Maximum Offering ⁽⁴⁾⁽⁵⁾	\$10,000,000	\$700,000	\$9,300,000

Notes:

- (1) In consideration of the services rendered by the Agents in connection with the Offering, the Corporation has agreed to pay the Agents, on the Closing Date, a commission equal to 7.0% of the gross proceeds of the Offering payable in cash (the "**Agents' Fee**"). In addition, the Corporation has agreed to issue to the Agents, on the Closing Date, such number of Unit warrants of the Corporation (the "**Broker Warrants**") as is equal to 8.0% of the aggregate number of Units issued pursuant to the Offering. Each Broker Warrant shall be exercisable to acquire one Unit (a "**Broker Unit**"), consisting of one Common Share (each, a "**Broker Unit Share**") and one half of one Common Share Purchase warrant (each full Common Share purchase warrant, a "**Broker Unit Warrant**"), at an exercise price of \$0.65 per Broker Unit, until 5:00 p.m. (Calgary time) on the date that is 24 months from the Closing Date. Each Broker Unit Warrant shall be exercisable to acquire one Common Share (a "**Broker Unit Warrant Share**"), at an exercise price of \$0.81 per Broker Unit Warrant Share, until 5:00 p.m. (Calgary time) on the date that is 24 months from the date of issuance of the applicable Broker Unit Warrant. The Corporation has also agreed to pay the Co-Lead Agents, on the Closing Date, a corporate finance fee payable in Units (the "**CFF Units**"), which corporate finance fee shall be equal to 4.0% of the aggregate number of Units issued pursuant to the Offering. Each CFF Unit consists of one Common Share (a "**CFF Unit Share**") and one-half of one Unit Warrant (each whole warrant, a "**CFF Unit Warrant**"). Each CFF Unit Warrant shall be exercisable to acquire one Common Share (a "**CFF Unit Warrant Share**"), at an exercise price of \$0.81 per CFF Unit Warrant Share, until 2:00 p.m. (Calgary time) on the date that is 24 months from the date of issuance of the applicable Broker Unit Warrant. The Agents' Fee, Broker Warrants and CFF Units will be payable on the total gross proceeds of the Offering and the total number of Units issued, including proceeds and Additional Units (as defined below) issued upon exercise of the Over-Allotment Option (as defined below).
- (2) After deducting the Agents' Fee, but before deducting the expenses related to the Offering estimated at \$300,000, which, together with the Agents' Fee, will be paid by the Corporation from the proceeds of the Offering. See "Use of Proceeds".

- (3) Pursuant to the terms of the Agency Agreement, all subscription funds received from subscribers will be retained in trust by the Agents until the Minimum Offering is obtained. Once the Minimum Offering has been obtained the sale of the Units shall be completed in accordance with the Agency Agreement.
- (4) Assuming the Offering is fully subscribed and the Over-Allotment Option is exercised in full.
- (4) The Corporation has agreed to grant to the Agents an over-allotment option (the "**Over-Allotment Option**") exercisable, in whole or in part, at the Agents' sole discretion, to offer and sell up to an additional number of Units (the "**Additional Units**"), that is equal to 15% of the Maximum Offering at a price equal to the Offering Price (in respect of the Additional Units) to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable, in whole or in part, at any time or times until the date that is 30 days immediately following the final Closing Date. If the Offering is fully subscribed and the Agents exercise the Over-Allotment Option in full, the total price to the public, Agents' Fee and net proceeds to the Corporation (before deducting the expenses of the Offering which are estimated to be approximately \$300,000) will be \$11,500,000, \$ 805,000, and \$ 10,695,000, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Additional Units, including the underlying Unit Shares (the "**Additional Shares**") and Unit Warrants (the "**Additional Warrants**") issuable as part of the Additional Units issued. A purchaser who acquires Additional Units, Additional Shares and/or Additional Warrants forming part of the Agents' over-allocation position acquires such Additional Units, Additional Shares and/or Additional Warrants under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".

Unless the context otherwise requires, when used herein, all references to "Offering", "Units", "Unit Shares" and "Unit Warrants" include the Additional Units, the Additional Shares and the Additional Warrants, as applicable, issuable upon exercise of the Over-Allotment Option.

The following table sets out the number of securities that may be issued by the Corporation to the Agents pursuant to the Over-Allotment Option, the Broker Warrants and the CFF Units.

Agents' Position	Maximum Number of Securities	Exercise Period	Exercise Price
Over-Allotment Option ⁽¹⁾	2,307,692 Additional Units	For a period of 30 days from and including the Closing Date	\$0.65 per Additional Unit
Broker Warrants ⁽²⁾	1,415,384 Broker Warrants ⁽³⁾	For a period of 24 months from and including Closing Date	\$0.65 per Broker Warrant
CFF Units ⁽²⁾⁽⁴⁾	707,692 CFF Units ⁽³⁾	N/A	N/A

Notes:

- (1) This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of any Additional Units, including the underlying Additional Shares and Additional Warrants issuable as part of the Additional Units issued.
- (2) This Prospectus also qualifies the grant of the Broker Warrants, the Broker Units issuable upon exercise of the Broker Warrants, including the underlying Broker Unit Shares and Broker Unit Warrants, and the grant of the CFF Units, including the underlying CFF Unit Shares and CFF Unit Warrants. See "*Plan of Distribution*".
- (3) Assuming the Offering is fully subscribed and exercise of the Over-Allotment Option in full.
- (4) Payable to the Co-Lead Agents.

The Corporation has made an application to the TSXV to list the Unit Shares (including the Additional Shares issuable upon the exercise of the Over-Allotment Option), the CFF Unit Shares, the Broker Unit Shares and the Common Shares issuable upon exercise of the Unit Warrants, the Additional Warrants, the Broker Warrants and the CFF Unit Warrants offered under this Prospectus on the TSXV. Such listing will be subject to the fulfillment of all of the listing requirements of the TSXV. The Unit Warrants, the Additional Warrants and the Broker Warrants will not be listed on the TSXV.

There is no market through which the Unit Warrants may be sold and purchasers may not be able to resell the Unit Warrants purchased under this Prospectus. This may affect the pricing of the Unit Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".

In connection with the Offering, subject to applicable laws, the Agents may over-allocate or effect transactions which stabilize or maintain the market price of the Unit Shares. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

This Offering is not underwritten or guaranteed by any person. No underwriter has been involved in the preparation of this short form prospectus or performed any review of the contents of this short form prospectus. The Offering is being conducted on a commercially reasonable best efforts agency basis by the Agents who conditionally offer the Units for sale, if, as and when issued by the Corporation and delivered to and accepted by the Agents, in accordance with the terms and conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of the Corporation by McLeod LLP, and on behalf of the Agents by DuMoulin Black LLP.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the Corporation has the right to reserve to close the subscription books at any time without notice. There can be no assurance that any or all of the Units being offered will be sold. Closing of the Offering is expected to take place on or about March 15, 2021, or on such other date as may be agreed upon by the Corporation and the Agents, but in any event not later than 90 days after the date of the receipt for the (final) short form prospectus (the "**Closing Date**"). If subscriptions for the Minimum Offering have not been received within 90 days following the date of issuance of a receipt for the final prospectus, the Offering will not continue and the subscription proceeds will be returned to subscribers, without interest or deduction. See "*Plan of Distribution*".

Investing in the Units is speculative and involves significant risks. You should carefully review and evaluate the risk factors contained in this Prospectus and in the documents incorporated by reference herein before investment in the Units, see "*Forward-Looking Information*" and "*Risk Factors*". Potential investors are advised to consult their own legal counsel and other professional advisors in order to assess the income tax, legal and other aspects of the Offering.

It is anticipated that the Units, Unit Shares and Unit Warrants will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. See "*Plan of Distribution*".

Certain legal matters relating to the Offering will be passed upon by McLeod Law LLP, on behalf of the Corporation, and by DuMoulin Black LLP, on behalf of the Agents.

Information contained on the Corporation's website shall not be deemed to be a part of this Prospectus or incorporated by reference herein and may not be relied upon by prospective investors for the purpose of determining whether to invest in the securities qualified for distribution under this Prospectus.

The Corporation's head and registered office is located at 9727 -40 Street S.E., Calgary, Alberta Canada T2C 2P4.

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GENERAL MATTERS

Throughout this Prospectus, references to "CEMATRIX", the "Corporation", "its", "our", "us" and "we", or related terms refer to CEMATRIX Corporation, and includes, where the context requires, one or more of its subsidiaries.

An investor should rely only on the information contained or incorporated by reference in this Prospectus. The Corporation has not authorized anyone to provide investors with additional or different information. The Corporation and the Agents are not making an offer to sell or seeking offers to buy securities in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should assume that the information appearing or incorporated by reference in this Prospectus is accurate only as at the respective dates thereof, regardless of the time of delivery of the Prospectus or of any sale of the Units. The Corporation's business, financial condition, results of operations and prospects may have changed since that date.

All currency amounts in this Prospectus are stated in Canadian dollars, unless otherwise noted.

FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information within the meaning of applicable securities laws. Forward-looking information and statements are based on the best estimates available to the Corporation at the time and involve known and unknown risks, uncertainties or other factors that may cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results, or developments that the Corporation anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by such terms as "forecast", "future", "may", "will", "expect", "estimate", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "pro-forma" or other comparable terminology.

Forward-looking information presented in such statements or disclosures may relate, among other things, to:

- sources of revenue and income;
- forecasts of capital expenditures and sources of financing thereof;
- the Corporation's expectations regarding its business, financial condition and results of operations;
- the Corporation's expectations surrounding the ongoing effect of the COVID-19 pandemic on the timing of contracted and verbally awarded projects;
- the release of new project opportunities into the North American market and the conversion of the Corporation's sales pipeline into projects;
- the Corporation's ability to quote and win contract tenders and attract customers;
- the Corporation's marketing and business plans and short-term objectives;
- the Corporation's anticipated trends and challenges in the markets in which it operates;
- the Corporation's ability to hire, train and retain the personnel it requires to undertake its business;
- the Corporation's ability to continue to develop and safeguard proprietary technologies and market share;
- future legislative and regulatory developments, domestic and foreign, in which the Corporation conducts business or may conduct business in the future;

- the Corporation's regional expansion and potential expansion by way of acquisition in North American markets;
- the Corporation's strategic relationships with third parties;
- governance of the Corporation as a public company;
- the completion of the Offering and the receipt of all regulatory and stock exchange approvals in connection therewith;
- the approval by the TSXV for the listing of the Units Shares, the Additional Shares, the CFF Unit Shares and the Broker Unit Shares;
- the use of the net proceeds of the Offering; and
- the Corporation's business objectives and milestones and the anticipated timing of execution.

Forward-looking information is based on assumptions, including assumptions concerning availability of capital resources, business performance, market conditions, and customer demand and is subject to a number of risks, uncertainties and other factors, which may be beyond the Corporation's control, which could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Factors of uncertainty and risk that might result in such differences include risks associated with the Corporation's growth strategy; failure to complete transactions or realize anticipated benefits; dependence on key personnel; constraints on marketing strategies; lower than anticipated customer demand; fraudulent or illegal activity by the Corporation's employees, contractors or consultants; damage to the Corporation's reputation; operating risk and insurance coverage; negative operating cash flow; management of growth; credit, liquidity, and interest rate risks; future capital requirements; conflicts of interest; changes in laws, regulations and guidelines which may increase the costs of compliance; product recalls and liability; litigation, regulatory or agency proceedings, investigations and audits; inventory and wholesale pricing; commodity pricing; fluctuation in currency and prices of raw materials; source of supply; environmental and employee health and safety regulations; competition; business interruptions; changes to backlog; protection of intellectual property; risks related to U.S. and other international activities and trade regulations and potential challenges to international operations and expansion to other jurisdictions; risks related to security clearances; systems, facilities and data failure, interruption and breach; obligations associated with being a public issuer as well risks relating to the ownership of the Corporation's shares such as potential share price volatility and no assurance of an active market for the Corporation's shares. A description of the risks affecting the Corporation's business and activities appears in greater detail under the heading "*Risk Factors*".

Although the Corporation believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on these forward-looking statements and information because the Corporation can give no assurance that they will prove to be correct. There can be no guarantee that the results or developments that the Corporation anticipates will be realized or, if substantially realized, that they will have the expected consequences or effects on the Corporation's business, financial condition or results of operation.

The forward-looking statements and information contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements and information included in this Prospectus are made as of the date hereof and the Corporation undertakes no obligation to publicly update such information to reflect new information, subsequent events or otherwise, except as required by applicable securities law.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, all references to currency amounts in this short form Prospectus are denominated in Canadian dollars. Unless otherwise indicated, all references to "\$", "C\$" and "dollars" in this short form Prospectus refer to Canadian dollars. References to "US\$" or "USD" in this short form

prospectus refer to United States dollars. On February 26, 2021, the daily average exchange rate for one United States dollar expressed in Canadian dollars, as quoted by the Bank of Canada, was US\$1.00=C\$1.2685 (or C\$1.00=US\$0.7883).

TRADEMARKS AND SERVICE MARKS

This Prospectus includes trademarks, trade names and service marks which are protected under applicable intellectual property laws for use in connection with the operation of our business, and which are the property of the Corporation. All other trade names, trademarks or service marks appearing in this prospectus that are not identified as marks owned by us are the property of their respective owners.

Solely for convenience, trademarks, service marks and trade names referred to in this Prospectus may be listed without the ®, (TM) and (sm) symbols, however, we will assert, to the fullest extent under applicable law, our applicable rights in these trademarks, service marks and trade names.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Cematrix at 9727 – 40 Street SE, Calgary, Alberta, Canada T2C 2P4, telephone 403-219-0484, and are also available electronically at www.sedar.com.

The following documents of Cematrix filed with the securities commissions or similar authorities in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario, and are specifically incorporated by reference and form an integral part of this Prospectus:

1. the annual information form of the Corporation dated January 22, 2021 for the year ended December 31, 2019 (the "**Annual Information Form**");
2. the Corporation's audited consolidated financial statements for the years ended December 31, 2019 and 2018, and related notes thereto, together with the independent auditors' report thereon;
3. the Corporation's management discussion and analysis dated April 27, 2020 for the year ended December 31, 2019 (the "**Annual MD&A**");
4. the Corporation's unaudited/unreviewed consolidated interim financial statements for the three and nine months ended September 30, 2020 and 2019 and related notes thereto, (the "**Interim Financial Statements**");
5. the Corporation's management discussion and analysis dated November 4, 2020 for the three and nine months ended September 30, 2020;
6. the Corporation's management information circular dated November 4, 2020 in respect of its annual general and special meeting held on December 9, 2020;
7. the material change report dated April 14, 2020 in respect of the Corporation's private placement of the Convertible Debentures (as defined below) (the "**Convertible Debenture Financing**");
8. the material change report dated April 20, 2020 in respect of the upside of the Convertible Debenture Financing;
9. the material change report dated April 22, 2020 in respect of closing of the Convertible Debenture Financing;

10. the material change report dated March 1, 2021 in respect of new contract awards;
11. "template version" (as such term is identified in National Instrument 41-101 – General Prospectus Requirements ("**NI 41-101**")) of the investor presentation of the Corporation ("**Template Investor Presentation**" or the "**Marketing Materials**") dated March 1, 2021.

Any document of the type referred to above or similar material and any documents required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any annual information form, all material change reports (excluding confidential reports, if any), all annual and interim financial statements and management's discussion and analysis relating thereto, or information circular or amendments thereto that the Corporation files with any securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of this Offering will be deemed to be incorporated by reference in this Prospectus and will automatically update and supersede information contained or incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies, replaces or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.

MARKETING MATERIALS

A "template version" of the following "marketing materials" (each such term as defined in NI 41-101) for the Offering filed with the securities commissions in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario, are specifically incorporated by reference into this Prospectus:

- (a) the Template Investor Presentation.

Neither the Marketing Materials nor any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) that are utilized by the Agents in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing material that has been, or will be, filed on SEDAR before termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this Prospectus. The marketing materials can be viewed under the Corporation's profile on SEDAR at www.sedar.com.

DESCRIPTION OF THE BUSINESS

Summary of the Business

Through its wholly-owned operating subsidiaries CEMATRIX (Canada) Inc. ("**CEMATRIX Canada**"), CEMATRIX (USA) Inc. ("**CEMATRIX USA**"), MixOnSite USA, Inc. ("**MOS**") and Pacific International Grout Co. ("**PIGCO**"), collectively referred to as the CEMATRIX Group of Companies (the "**CEMATRIX Group**"), CEMATRIX uses specially developed equipment and proprietary or exclusive use foaming agents to produce and pour cellular concrete for various applications in the infrastructure, industrial and commercial construction markets.

CEMATRIX Canada, with its head office in Calgary and regional operations in Toronto, Winnipeg and Calgary, focuses on the Canadian low density (lighter than water) cellular concrete markets. MOS is headquartered in Chicago, Illinois and is focused on the low density cellular concrete markets throughout the United States, particularly in the North Central, Northeast and Central regions. PIGCO is headquartered in Bellingham, Washington, and is focused on the high density (heavier than water) cellular concrete markets throughout the United States and Canada and has also completed a number of international projects. PIGCO's equipment is specifically designed for the heavy density tunnel grouting market but can also be used for large geotechnical infrastructure applications.

Cellular concrete is a cement slurry-based product that is combined with air to create a lightweight, foamed concrete-like material with thermal insulating qualities and moderate structural strength. It is generally lighter than water and is used as a replacement for rigid and other types of insulation and as a lightweight fill or a void fill, with uses including tunnel grouting.

The infrastructure market sector primarily relates to work on public construction projects funded by provincial, state and federal governments. Examples of this type of work include the insulation of road bases; permafrost protection under buildings, utilities, roads and runways; the insulation of shallow utility installations; industrial and commercial floor bases; the replacement of weak and/or unstable soils and soils subject to seismic conditions; mechanical stabilized earth ("**MSE**") panels and retaining wall backfill; grouting; and tunnel backfill. Work in this sector generally requires prior approval of the Corporation's various products and applications by local regulatory bodies.

The Corporation's revenues are realized as the Corporation processes and places cellular concrete on site, calculated based on the number of cubic metres processed and placed.

The Corporation's sales generally consist of "one-off" transactions, with little carryover in sales from year to year with a single customer, except when the Corporation has repeat business related to a specific application or location, or a project sufficiently large in scope to continue from one period into the next. The goal is to expand these repeatable and predictable sources of revenue.

The Corporation generally undertakes work as a sub-contractor to various engineering and construction firms that have been awarded the prime contract from the owner of a particular project.

The Corporation has two distinct types of production equipment: dry mix and wet mix.

Dry mix production equipment is fully automated and the cement slurry mixing process is done directly from cement and other dry powders. This equipment permits the production of high hourly volumes. The dry mix system enables the Corporation to improve end product quality, while reducing unit cost by up to 20% compared to the wet mix process. However, the dry mix process is typically not suitable for small- to medium-sized projects because of the higher costs associated with mobilization and greater onsite space requirements.

Wet mix production equipment is partially automated, and the pre-designed cement slurry used is delivered by a ready-mix provider. This equipment has lower hourly production capacity and is suitable for small volume projects or projects where there is no space for the larger dry mix units.

The Corporation's fleet of production equipment currently consists of ten dry mix units that produce up to 230 cubic metres of cellular concrete per hour, and eight wet mix units capable of producing 50 to 100 cubic metres of cellular concrete per hour. The fleet is mobile and can be moved to any project in North America.

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The value proposition CEMATRIX offers to customers is:

"CEMATRIX cellular concrete saves significant time and money for its customers and provides a better overall long-term construction solution."

The Corporation's value proposition is supported by: acquired and internally developed technologies that enable the production of high volumes of consistent, low density insulating cellular concrete; the North American exclusive rights to a protein based foaming agent and an acquired synthetic foaming agent formula; proprietary material mix design expertise; additive technologies developed by PIGCO; technical support for thermal and structural design to assist engineering firms in the design of applications for cellular concrete; and internally designed and constructed specialty equipment for the production of cellular concrete, which includes the specialized tunnel grouting equipment developed by PIGCO. These technologies are not patented because most relate to formulas, which can be copied. The Corporation protects these technologies through trade secrets and the separation of knowledge between departments and staff.

Over the years the Corporation has invested in additional staff and equipment to prepare for what management believes will be a significant increase in annual sales, as the Corporation's product reaches the 'tipping point' for a number of applications. Tipping point refers to the point in time where customers decide that they will use the Corporation's product, as opposed to alternative products, for certain applications (i.e. all overpass/bridge abutment work, or all MSE panel backfill or all the insulation of oil sand modules, etc.). The tipping point for oil and gas applications was around the financial crisis of 2008 and declining oil prices in 2014 and 2015 but ended as a result of those events. Revenue from oil and gas applications has not rebounded as related construction in that sector has been negligible. The Corporation is now working towards the tipping point for various infrastructure applications. The cost of this investment, in terms of additional staff and equipment, has negatively affected the financial results over the past few years. However, it has helped position the Corporation to achieve sales growth and to leverage economies of scale achieved with the MOS and PIGCO Acquisitions in the U.S.

Recent Developments

On December 22, 2020, the Corporation announced that it had signed a letter of intent for a project valued at USD \$23.5 million (\$30.1 million) for grouting of a tunnel to be constructed under a major U.S. city. CEMATRIX's involvement in the project is scheduled to begin in 2024. This is currently the largest contract ever awarded to the CEMATRIX Group.

On April 22, 2020, the Corporation announced the closing of an oversubscribed \$5.5 million debenture offering that was co-led by Gravitas and Clarus. The private placement was for 5,500 unsecured convertible debentures of the Corporation (the "**Convertible Debentures**") at a price of \$1,000 per Convertible Debenture for aggregate gross proceeds of \$5,500,000. Each Convertible Debenture has a three-year term, will pay 8.0% cash interest, matures on the date that is 3 years from the date of issuance and may be converted at the election of the holder thereof, at any time prior to the maturity date, subject to earlier conversion by the Corporation, into 2,500 units (the "**Convertible Debenture Units**") at \$0.40 per Convertible Debenture Unit. Each Convertible Debenture Unit is comprised of one Common Share and one-half Common Share purchase warrant with a three-year expiry. Each full warrant entitles the holder to purchase one Common Share for \$0.45.

On February 20, 2020, the Corporation announced that it had signed a letter of intent for a USD \$12.3 million (\$15.7 million) project to backfill fifteen overpasses along a new freeway corridor in the Northeast United States. The project is scheduled to begin in 2021 and projected to continue into 2022. At the time, this was the largest project ever awarded to the CEMATRIX Group.

In January 2019, the Corporation signed a letter of intent to acquire PIGCO and closed the acquisition on October 1, 2019 (the "**PIGCO Acquisition**"), after securing a USD \$2.8 million loan from the Business Development Bank of Canada ("**BDC**"). The acquisition price was USD \$3.875 million before an earn-out, consisting of USD \$2.8 million in cash, a USD \$575,000 vendor takeback loan which was repaid over a course of 10 months, and USD \$500,000 in Common Shares, being an issuance of 3,305,250 Common Shares. The Corporation also agreed to pay the former owner of PIGCO a four-year

earn-out as part of his compensation package, which required payment of 65% of the annual EBITDA of PIGCO in excess of USD \$500,000.

In February, 2018, the Corporation signed a letter of intent to acquire MOS and closed the acquisition on May 31, 2018 after securing a USD \$1.8 million loan from the BDC. The acquisition price was USD \$5.0 million before earn-out and included USD \$2.0 million in cash, USD \$500,000 in Common Shares, which amounted to 3,343,421 Common Shares and a USD \$2.5 million three-year 8% convertible debenture convertible into 13,373,584 Common Shares on or before May 31, 2021. The number of Common Shares issuable upon conversion was fixed as of the acquisition date. The three-year earn-out required annual payment to the former owners of MOS of a percentage of EBITDA exceeding USD \$500,000. The first year following the MOS acquisition, the earn-out percentage was 70%. During the second and third years, the earn-out percentage dropped to 65%.

CONSOLIDATED CAPITALIZATION

Other than as listed in the "*Prior Sales*" section of this Prospectus, and other than as a result of this Offering, there have been no material changes in the Corporation's capital structure on a consolidated basis since the Corporation's Interim Financial Statements. As of the date hereof, the Corporation has 74,255,616 Common Shares issued and outstanding. Assuming the Offering is fully subscribed, there will be an aggregate of 90,255,616 Common Shares issued and outstanding 92,655,616 Common Shares if the Over-Allotment Option is exercised in full).

In addition, as of the date hereof, the Corporation has common share purchase warrants outstanding to purchase up to an aggregate of 9,686,236 Common Shares. Assuming the Offering is fully subscribed, the Corporation will have common share purchase warrants outstanding to purchase up to an aggregate of 18,609,323 Common Shares (19,947,784 Common Shares if the Over-Allotment Option is exercised in full).

As of the date hereof, the Corporation has \$3,171,250 (\$2,500,000 USD) in outstanding convertible notes convertible into 13,373,684 Common Shares.

As of the date hereof, the Corporation has \$3,924,000 in outstanding convertible debentures convertible into 9,810,000 Common Shares and 4,905,000 warrants.

The Corporation also has options outstanding exercisable for 4,278,334 Common Shares under its incentive stock option plan.

The above should be reviewed in conjunction with the Financial Statements of the Corporation.

USE OF PROCEEDS

Proceeds

The Offering will not be completed and subscription funds will not be advanced to the Corporation unless the Minimum Offering has been raised. In the event of the Minimum Offering, the net proceeds to the Corporation from the Offering will be approximately \$4,650,000 after deducting the Agents' Fee of \$350,000 and the estimated offering expenses (excluding taxes) of \$300,000.

In the event of the Maximum Offering, the net proceeds to the Corporation from the Offering (assuming the Over-Allotment Option is not exercised) are estimated to be \$9,300,000 after deducting the Agents' Fee of \$700,000 and the estimated expenses of the Offering of \$300,000 (excluding taxes). In the event that the Over-Allotment Option is exercised in full, in addition to the Maximum Offering, the net proceeds to the Corporation are estimated to be \$10,695,000 after deducting the Agents' Fee of \$805,000 and the estimated expenses of the Offering of \$300,000 (excluding taxes). See "*Plan of Distribution*".

Principal Purposes

The Corporation currently anticipates using the proceeds from the Offering as set forth in the following table, assuming both the Minimum Offering and the Maximum Offering (assuming no exercise of the Over-Allotment Option):

Approximate Use of Net Proceeds

Principal Purpose	Minimum Offering	Maximum Offering
Future Acquisitions & Regional Expansion ⁽¹⁾⁽²⁾	\$3,000,000	\$6,500,000
General corporate purposes and working capital ⁽³⁾	\$1,350,000	\$2,500,000
Offering Expenses	\$300,000	\$300,000
TOTAL	\$4,650,000	\$9,300,000

Notes:

- (1) The Corporation will need to build additional equipment to support regional expansion, into the central, southern and southeastern U.S.
- (2) The Corporation will use these funds to pursue strategic acquisitions that it has identified, if through due diligence they are determined to add value for CEMATRIX and its shareholders;
- (3) General Corporate purposes could include the retirement of debt.

The above noted allocation represents the Corporation's intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Corporation. Actual expenditures may differ from the estimates set forth above. There may be circumstances where for sound business reasons, the Corporation reallocates the use of proceeds. See "*Risk Factors – Additional Capital*".

Until applied, the net proceeds will be held as cash balances in the Corporation's bank account or invested in certificates of deposit and other instruments issued by banks or obligations of or guaranteed by the Government of Canada or any province thereof.

Subscription proceeds will be held by the Agents in trust until subscriptions for the Minimum Offering are received and other closing conditions of the Offering have been satisfied. See "*Plan of Distribution*".

As at September 30, 2020, the Corporation had an adjusted net working capital balance of approximately \$2,907,869, before considering the convertible debenture in the amount of \$3,345,469 as it is expected to be converted on maturity which is May 31, 2021. Although the Corporation anticipates it will have positive cash flow from operating activities in future periods, the Corporation cannot guarantee positive cash flow from operating activities in future periods. To the extent that the Corporation has negative cash flow in any future period, certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities. See "*Risk Factors*".

If the Over-Allotment Option is exercised in full, the Corporation will receive additional net proceeds of \$1,395,000 after deduction of the additional Agents' Fee of \$105,000. The net proceeds from the exercise of the Over-Allotment Option, if any, is expected to be added to general working capital and / or debt reduction related to funds borrowed to complete the MOS and PIGCO acquisitions.

Business Objectives and Milestones

The primary business objectives of the Corporation over the next 12 months are:

1. The Corporation will continue to work on the integration of the two U.S. acquisitions, which includes technology transfer, implementation of best practices, and development of working relationships and synergies among and between the CEMATRIX Group.
2. The Corporation will focus on growing and realizing on its backlog by finalizing and executing on contracts currently in progress and those scheduled to be completed in 2021.
3. The Corporation will continue to grow sales organically in the regions it currently services in Canada and the United States.
4. The Corporation plans to expand into areas of the United States capable of being serviced by its current equipment by stationing available equipment in those regions targeted for expansion. In addition, the Corporation plans to construct at least two more specialized dry mix units, which were designed to eliminate ready-mix supply in the service of small to medium sized projects, to improve the quality of its product offerings and increase margins for these applications. It is expected that this new equipment will further enhance CEMATRIX's competitive edge in those regions. The Corporation expects to have this new equipment ready for the 2022 construction season.
5. The Corporation will continue to evaluate potential acquisition targets, with the aim of identifying one opportunity by the end of December 2021 that will add value to CEMATRIX and its investors.

Several of the foregoing business objectives, including the ongoing transition of the three operating companies, realization of the Corporation's backlog, the growth of organic markets and regional expansion (excluding the planned addition of new equipment) are being funded through existing capital resources and anticipated future operating revenue.

The only significant event that must occur for these business objectives to be met is that this Offering must be completed, and the proceeds deployed as outlined under the heading "*Use of Proceeds*".

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Corporation has engaged the Agents, as its agents to offer for sale to the public on a commercially reasonable efforts basis up to 7,692,307 Units in the case of the Minimum Offering and up to 15,384,615 Units in the case of the Maximum Offering at a price of \$0.65 per Unit, for aggregate gross consideration of \$5,000,000 in the case of the Minimum Offering and up to \$10,000,000 in the case of the Maximum Offering, payable in cash to the Corporation against delivery of the Units. The Offering Price and the other terms of the Offering were determined by arm's length negotiation between the Corporation and the Co-Lead Agents. The obligations of the Agents under the Agency Agreement are several (and not joint or joint and several), are subject to certain closing conditions and may be terminated at their discretion on the basis of "disaster out", "material change out", "regulatory out" and "breach out" provisions in the Agency Agreement and may also be terminated upon the occurrence of certain stated events. The Agents are not obligated to purchase any Units under the Agency Agreement.

The Corporation has granted to the Agents the Over-Allotment Option, exercisable, in whole or in part, at the sole discretion of the Agents, for a period of 30 days from and including the Closing Date, to sell up to an additional 2,307,692 Additional Units at the Offering Price to cover the Agents' over-allocation position, if any, and for market stabilization purposes. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units, including the Additional Shares and Additional Warrants issuable under the Additional Units which may be upon exercise of the Over-Allotment Option. A purchaser who acquires Additional Units forming part of the Agents' over-allocation position acquires those Additional Units under this Prospectus regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In consideration for the services provided by the Agents in connection with the Offering, and pursuant to the terms of the Agency Agreement, the Corporation has agreed to pay the Agents the Agents' Fee equal to 7% of the gross proceeds from the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option) and the Broker Warrants in the amount of which is equal to 8% of the total number of Units issued under the Offering (including exercise of the Over-Allotment Option); and, to the Co-Lead Agents the CFF Units in the amount of which is equal to 4% of the total number of Units issued under the Offering (including exercise of the Over-Allotment Option).

The Offering is being made in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario. The Offered Shares will be offered in the provinces British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario, through those Agents or their affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Agents.

The Unit Shares, Unit Warrants and Unit Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Unit Warrants may not be exercised by or on behalf of a person in the United States unless an exemption from such registration is available and documentation to that effect is provided in accordance with the terms of the Warrant Indenture. Subject to applicable law, the Agents may offer the Units in such other jurisdictions outside of Canada and the United States as agreed between the Corporation and the Agents.

The Corporation has made an application to the TSXV to list the Unit Shares (including the Additional Shares issuable upon the exercise of the Over-Allotment Option), the CFF Unit Shares, the Broker Unit Shares and the Common Shares issuable upon exercise of the Unit Warrants, the Additional Warrants, the Broker Warrants and the CFF Unit Warrants offered under this Prospectus on the TSXV. Such listing will be subject to the fulfillment of all of the listing requirements of the TSXV. The Unit Warrants, the Additional Warrants and the Broker Warrants will not be listed on the TSXV. Pursuant to the Agency Agreement, upon and contingent upon closing of the Offering until a period that is two years from the Closing Date, each of the Co-Lead Agents will be provided with the exclusive right and opportunity to act as lead agent and sole book runner for any offering of securities of the Corporation to be sold in Canada, whether by private placement or public offering.

Pursuant to policy statements of certain securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (a) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (b) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (c) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Agents may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Agents at any time.

The Offering is not underwritten or guaranteed by any person. Subscriptions will be received subject to rejection or allotment, in whole or in part, and the Agents reserve the right to close the subscription books at any time without notice. There can be no assurance that any or all of the Units being offered will be sold. Closing of the Offering is expected to take place on or about March 15, 2021, or on such other date as may be agreed up on by the Corporation and the Agents, but in any event not later than 90 days after the date of the receipt for the (final) short form prospectus. Subscription proceeds will be received by the Agents, or by any other securities dealer authorized by the Agents, and will be held by the Agents in trust until subscriptions for the Minimum Offering are received and other closing conditions of the Offering have been satisfied. If subscriptions for the Minimum Offering have not been received within 90 days following the date of issuance of a receipt for the final prospectus, the Offering will not continue and the subscription proceeds will be returned to subscribers, without interest or deduction. In any event, the total period of the distribution will not end more than 90 days from the

date of issuance of a receipt for the final prospectus. Should a closing occur in respect of the Minimum Offering, one or more additional closings, if necessary, may occur until the earlier of the Maximum Offering being subscribed and the expiry of the 90-day period. Provided the Minimum Offering is met, closing of the Offering is expected to take place on or about March 15, 2021, or such other date as may be agreed upon by the Corporation and the Agents.

Pursuant to the terms of the Agency Agreement, the Corporation has agreed to reimburse the Agents for certain expenses incurred in connection with the Offering and to indemnify the Agents and their directors, officers, employees, and agents against certain liabilities and expenses and to contribute to payments the Agents may be required to make in respect thereof.

Any Units offered hereby have not been and will not be registered under the U.S. Securities Act or any state securities laws, and accordingly such securities may not be offered or sold in the United States (if at all) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Agents may offer and sell the Units to persons who are "qualified institutional buyers", as such term is defined in Rule 144A under the U.S. Securities Act ("Qualified Institutional Buyers"), in compliance with Rule 144A under the U.S. Securities Act and applicable United States state securities laws. The Agents will offer and sell the Units outside the United States only in accordance with Regulation S under the U.S. Securities Act. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units offered under the Offering in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units in the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made other than in accordance with an exemption from such registration requirements.

Any Units offered or sold in the United States will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued representing such securities (if any) will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable United States state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable United States state securities laws.

Non-Certificated Inventory System

It is anticipated that the Units will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Common Shares

As at the date hereof, the Corporation had 74,255,616 Common Shares issued and outstanding, 4,278,334 options outstanding and common share purchase warrants outstanding to purchase up to 9,686,246 Common Shares. The Common Shares are not subject to any further call or assessment, do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Common Shares, all of which rank equally as to benefits that may accrue to the holders of the Common Shares. All holders of Common Shares are entitled to receive a notice of any meeting of the shareholders of the Corporation. Voting rights may be exercised in person or by proxy. The board of directors of the Corporation (the "**Board**") is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action, subject to applicable laws and the TSXV Policies. Holders of Common Shares are entitled to receive dividends on a pro rata basis if, as and when declared by the Board in respect of the Common Shares. Holders of Common Shares are entitled to dividends if, as and when declared by the Board, and, upon liquidation,

dissolution or winding up of the Corporation, to share rateably in such assets of the Corporation as are distributable to the holders of Common Shares. The Board has no current intention to declare dividends on the Common Shares. See "*Risk Factors*".

Warrants

The Unit Warrants to be issued under the Offering will each be governed by the terms of a warrant indenture (the "**Warrant Indenture**") to be dated as of the Closing Date between the Corporation and Computershare Trust Company of Canada (the "**Warrant Agent**"). The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference should be made to the Warrant Indenture for the full text of attributes of the Unit Warrants, which will be filed by the Corporation under its corporate profile on SEDAR following the closing of the Offering.

The Unit Warrants and Unit Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Unit Warrants may not be exercised by or on behalf of a person in the United States unless an exemption from such registration is available and documentation to that effect is provided in accordance with the terms of the Warrant Indenture.

Each Unit Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, a Unit Warrant Share at an exercise price of \$0.81 until the date that is 24 months following the Closing Date, after which time the Unit Warrants will be void and of no value.

The Unit Warrants may be issued in uncertificated form. Any Unit Warrants issued in certificated form shall be evidenced by a warrant certificate in the form attached to the Warrant Indenture. All Unit Warrants issued in the name of CDS may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book-entry position on the register of warrant holders to be maintained by the Warrant Agent at its principal offices in Vancouver, British Columbia.

The Warrant Indenture will provide that the share ratio and exercise price of the Unit Warrants will be subject to adjustment in the event of a subdivision or consolidation of the Common Shares. The Warrant Indenture will also provide that if there is: (i) a reclassification or change of the Common Shares, (ii) any consolidation, amalgamation, arrangement or other business combination of the Corporation resulting in any reclassification, or change of the Common Shares into other shares, or (iii) any sale or conveyance of all or substantially all of the Corporation's assets to another entity, then each holder of a Unit Warrant which is thereafter exercised shall receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Unit Warrants prior to the event.

The Corporation will also covenant in the Warrant Indenture that, during the period in which the Unit Warrants are exercisable, it will give notice to holders of Unit Warrants of certain stated events, including events that would result in an adjustment to the exercise price of the Unit Warrants or the number of Unit Warrant Shares issuable upon exercise of the Unit Warrants at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional Common Shares will be issuable to any holder of Unit Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Unit Warrants will not make the holder thereof a shareholder of the Corporation or entitle such holder to any right or interest in respect of the Unit Warrants except as expressly provided in the Warrant Indenture. Holders of Unit Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Unit Warrants may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Unit Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Unit Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of the

Unit Warrants at which there are holders present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Unit Warrants and passed by the affirmative vote of holders representing not less than 66⅔% of the aggregate number of all the then outstanding Unit Warrants represented at the meeting and voted on the poll upon such resolution or (ii) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of all the then outstanding Unit Warrants.

PRIOR SALES

The following table sets forth the details regarding all issuances of Common Shares, including issuances of all securities convertible or exchangeable into Common Shares, during the 12-month period before the date of this Prospectus.

Date	Number of Securities Issued	Type of Security	Issuance / Exercise Price per Security
February 21, 2020	32,500	Common Shares ⁽¹⁾	\$0.30
February 24, 2020	140,000	Common Shares ⁽¹⁾	\$0.30
February 24, 2020	405,000	Common Shares ⁽¹⁾	\$0.35
February 26, 2020	257,512	Common Shares ⁽¹⁾	\$0.30
March 3, 2020	312,500	Common Shares ⁽¹⁾	\$0.35
April 30, 2020	155,037	Common Shares ⁽¹⁾	\$0.30
April 30, 2020	770,265	Common Shares ⁽¹⁾	\$0.35
May 1, 2020	628,050	Common Shares ⁽¹⁾	\$0.35
May 7, 2020	42,355	Common Shares ⁽¹⁾	\$0.30
May 21, 2020	117,000	Common Shares ⁽¹⁾	\$0.30
June 8, 2020	50,000	Common Shares ⁽²⁾	\$0.20
June 8, 2020	50,000	Common Shares ⁽²⁾	\$0.24
June 8, 2020	50,000	Common Shares ⁽²⁾	\$0.18
June 10, 2020	202,250	Common Shares ⁽¹⁾	\$0.35
June 10, 2020	153,000	Common Shares ⁽¹⁾	\$0.30
June 17, 2020	113,712	Common Shares ⁽¹⁾	\$0.30
July 7, 2020	99,875	Common Shares ⁽¹⁾	\$0.30
July 7, 2020	622,500	Common Shares ⁽¹⁾	\$0.35
July 28, 2020	240,000	Common Shares ⁽¹⁾	\$0.30
July 28, 2020	82,500	Common Shares ⁽¹⁾	\$0.35
August 4, 2020	50,000	Common Shares ⁽²⁾	\$0.18
August 24, 2020	186,400	Common Shares ⁽¹⁾	\$0.35
August 24, 2020	50,000	Common Shares ⁽¹⁾	\$0.30
August 27, 2020	137,500	Common Shares ⁽³⁾	\$0.40
September 4, 2020	25,000	Common Shares ⁽³⁾	\$0.40
September 14, 2020	17,500	Common Shares ⁽³⁾	\$0.40
September 15, 2020	37,500	Common Shares ⁽³⁾	\$0.40

September 16, 2020	12,500	Common Shares ⁽³⁾	\$0.40
September 18, 2020	50,000	Common Shares ⁽¹⁾	\$0.30
September 18, 2020	50,000	Common Shares ⁽³⁾	\$0.40
September 22, 2020	17,500	Common Shares ⁽³⁾	\$0.40
September 24, 2020	14,000	Common Shares ⁽¹⁾	\$0.30
September 24, 2020	108,750	Common Shares ⁽⁴⁾	\$0.40
November 4, 2020	112,500	Common Shares ⁽³⁾	\$0.40
November 6, 2020	32,525	Common Shares ⁽¹⁾	\$0.30
November 9, 2020	125,000	Common Shares ⁽³⁾	\$0.40
November 11, 2020	407,500	Common Shares ⁽³⁾	\$0.40
December 2, 2020	607,500	Common Shares ⁽³⁾	\$0.40
December 7, 2020	87,500	Common Shares ⁽³⁾	\$0.40
December 23, 2020	437,500	Common Shares ⁽³⁾	\$0.40
December 24, 2020	362,500	Common Shares ⁽¹⁾	\$0.30
December 30, 2020	37,500	Common Shares ⁽³⁾	\$0.40
January 4, 2021	125,000	Common Shares ⁽³⁾	\$0.40
January 8, 2021	512,500	Common Shares ⁽³⁾	\$0.40
January 8, 2021	36,450	Common Shares ⁽⁴⁾	\$0.40
January 8, 2021	2,205,000	Common Shares ⁽¹⁾	\$0.30
January 12, 2021	15,000	Common Shares ⁽³⁾	\$0.40
January 18, 2021	588,750	Common Shares ⁽¹⁾	\$0.45
January 19, 2021	200,000	Common Shares ⁽²⁾	\$0.25
January 19, 2021	750,000	Common Shares ⁽³⁾	\$0.40
January 20, 2021	125,000	Common Shares ⁽¹⁾	\$0.30
January 21, 2021	56,250	Common Shares ⁽¹⁾	\$0.45
January 25, 2021	25,000	Common Shares ⁽²⁾	\$0.20
January 25, 2021	90,000	Common Shares ⁽¹⁾	\$0.45
January 26, 2021	650,000	Common Shares ⁽³⁾	\$0.40
January 28, 2021	58,750	Common Shares ⁽¹⁾	\$0.30
January 29, 2021	150,000	Common Shares ⁽²⁾	\$0.26
January 29, 2021	200,000	Common Shares ⁽³⁾	\$0.40
January 29, 2021	385,000	Common Shares ⁽¹⁾	\$0.30
February 1, 2021	156,250	Common Shares ⁽¹⁾	\$0.45
February 1, 2021	15,000	Common Shares ⁽¹⁾	\$0.30
February 2, 2021	22,500	Common Shares ⁽¹⁾	\$0.30
February 4, 2021	75,000	Common Shares ⁽¹⁾	\$0.30
February 4, 2021	166,666	Common Shares ⁽²⁾	\$0.20

February 4, 2021	250,000	Common Shares ⁽¹⁾	\$0.30
February 4, 2021	175,000	Common Shares ⁽¹⁾	\$0.30
February 5, 2021	125,000	Common Shares ⁽³⁾	\$0.40
February 9, 2021	100,000	Common Shares ⁽¹⁾	\$0.30
February 11, 2021	8,250	Common Shares ⁽⁴⁾	\$0.40
February 11, 2021	25,000	Common Shares ⁽²⁾	\$0.20
February 16, 2021	50,000	Common Shares ⁽¹⁾	\$0.30
February 17, 2021	30,000	Common Shares ⁽¹⁾	\$0.30
February 18, 2021	87,500	Common Shares ⁽¹⁾	\$0.45
February 22, 2021	20,000	Common Shares ⁽¹⁾	\$0.30

Notes:

- (1) Common Shares issued pursuant to an exercise of warrants.
- (2) Common Shares issued pursuant to an exercise of options.
- (3) Common Shares issued pursuant to an exercise of convertible debentures.
- (4) Common Shares issued pursuant to an exercise of brokers warrants

TRADING PRICE AND VOLUME

The outstanding Common Shares are currently traded on the TSXV under the trading symbol "CVX" and trade in the United States on the OTC Markets under the trading symbol "CTXXF". On February 26, 2021, the last day of trading prior to the date of this Prospectus, the closing price per Common Share on the TSXV was \$0.73, and on the OTC Markets was US\$0.5663.

The following table sets forth the reported high and low prices and monthly trading volumes of the Common Shares on the TSXV for the 12-month period prior to the date of this Prospectus.

Period	High	Low	Volume
February 2021	\$0.79	\$0.66	6,448,061
January 2021	\$0.86	\$0.60	9,873,000
December 2020	\$0.84	\$0.43	8,423,600
November 2020	\$0.44	\$0.38	1,966,500
October 2020	\$0.46	\$0.39	2,135,500
September 2020	\$0.55	\$0.40	4,402,600
August 2020	\$0.52	\$0.42	3,187,500
July 2020	\$0.60	\$0.49	3,744,600
June 2020	\$0.66	\$0.49	6,575,100
May 2020	\$0.51	\$0.41	3,807,700
April 2020	\$0.51	\$0.31	4,015,000
March 2020	\$0.43	\$0.27	2,701,200
February 2020	\$0.59	\$0.30	6,492,800

ELIGIBILITY FOR INVESTMENT

The following income tax information has been reviewed by MNP LLP. This summary is based on the current provisions of the Income Tax Act (Canada) (the "**Tax Act**") and the regulations thereunder, and the current administrative policies of the Canada Revenue Agency ("**CRA**"), in force as of the date hereof and the proposals to amend the Tax Act and the regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and assumes that all such Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all, and where the Tax Proposals are not enacted or otherwise implemented, the tax consequences may not be as described below in all cases. The Unit Shares, Unit Warrants and Unit Warrant Shares, if issued on the date hereof, would be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account, as those terms are defined in the Tax Act (collectively referred to as "**Registered Plans**") or a deferred profit sharing plan (as defined in the Tax Act), provided that the Offered Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes the TSXV).

Notwithstanding the foregoing, the holder or subscriber of, or an annuitant under a Registered Plan, as the case may be, (the "**Controlling Individual**") will be subject to a penalty tax in respect of a Unit Warrant, Unit Share or Unit Warrant Share held in the Registered Plan if such securities are a "prohibited investment" (as defined in the Tax Act) for the particular Registered Plan. A Unit Warrant, Unit Share or Unit Warrant Share generally will be a "prohibited investment" for a Registered Plan if the Controlling Individual does not deal at arm's length with the Corporation for the purposes of the Tax Act or the Controlling Individual has a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Corporation. The A Unit Warrant, Unit Share or Unit Warrant Share generally will not be a "prohibited investment" if they are "excluded property" (as defined in the Tax Act) for purposes of the prohibited investment rules for a Registered Plan.

Prospective purchasers who intend to hold A Unit Warrant, Unit Share or Unit Warrant Share in their Registered Plan or deferred profit-sharing plan should consult their own tax advisors having regard to their own particular circumstances.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following income tax information has been reviewed by MNP LLP. The following is, as of the date of this Prospectus, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires a Unit, consisting of one Unit Share and one Unit Warrant, pursuant to the Offering.

This summary applies only to a purchaser who is a beneficial owner of Unit Shares, Unit Warrants and Unit Warrant Shares acquired pursuant to this Offering, and who, for the purposes of the Tax Act, and at all relevant times, (i) deals at arm's length with the Corporation and the Agents, (ii) is not affiliated with the Corporation or the Agents, and (iii) who acquires and holds the Unit Shares, the Unit Warrants and upon exercise of the Unit Warrants will hold the Unit Warrant Shares acquired on the exercise of the Unit Warrants as capital property (a "**Holder**"). For purposes of this summary, references to "Shares" shall include Unit Shares and Unit Warrant Shares unless otherwise indicated. Generally, the Shares and Unit Warrants will be considered to be capital property to a Holder provided that the Holder does not acquire or hold the Shares or Unit Warrants in the course of carrying on a business of trading or dealing in securities or as part of one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (i) that is a "financial institution" for the purposes of the market-to-market rules contained in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii), an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iv) that has made a functional currency reporting election under the Tax Act; or (v) that has or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as each term is defined in the Tax Act, with respect to the Shares or Warrants. Such Holders should consult their own tax advisors with respect to an investment in Units.

This summary is based upon the current provisions of the Tax Act as of the date hereof and the current published administrative policies and assessing practices of the CRA. This summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and assumes that all such Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all, and where the Tax Proposals are not enacted or otherwise implemented, the tax consequences may not be as described below in all cases. This summary does not otherwise take into account or anticipate any changes in law, whether by way of legislative, judicial or administrative action or interpretation, nor does it address any provincial, territorial or foreign tax considerations.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

The total purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Unit Share and the Unit Warrant comprising such Unit to determine the respective costs of each to such Holder for purposes of the Tax Act.

Exercise of Warrants

The exercise of a Unit Warrant to acquire a Unit Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act. As a result, no gain or loss will be realized by a Holder upon the exercise of a Unit Warrant to acquire a Unit Warrant Share. When a Unit Warrant is exercised, the Holder's cost of the Unit Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Unit Warrant and the exercise price paid for the Unit Warrant Share. The Holder's adjusted cost base of the Unit Warrant Share so acquired will be determined by averaging the cost of the Unit Warrant Share with the adjusted cost base to the Holder of all Common Shares (if any) owned by the Holder as capital property immediately prior to such acquisition.

Holdings Resident in Canada

The following section of this summary is generally applicable to a Holder who, for the purposes of the Tax Act, is or is deemed to be resident in Canada at all relevant times ("**Resident Holder**"). A Resident Holder whose Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election pursuant to subsection 39(4) of the Tax Act to deem the Shares, and every other "Canadian security" (as defined in the Tax Act), held by such Resident Holder, in the taxation year of the election and each subsequent taxation year to be capital property. This election is not available with respect to Unit Warrants. Resident Holders should consult their own tax advisors regarding this election.

Expiry of Unit Warrants

In the event of the expiry of an unexercised Unit Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Unit Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Dividends

Dividends received or deemed to be received on the Shares are required to be included in computing a Resident Holder's income for a taxation year. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (as defined in the Tax Act). An enhanced dividend tax credit will be available to individuals in respect of "eligible dividends" (as defined

in the Tax Act) designated by the Corporation in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Corporation to designate dividends as "eligible dividends."

Dividends received or deemed to be received by a Resident Holder that is a corporation on the Shares must be included in computing its income but generally will be deductible in computing its taxable income for that taxation year. A Resident Holder that is a "private corporation" or a "subject corporation" (as defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

Dispositions of Shares and Unit Warrants

Upon a disposition (or a deemed disposition) of a Share or a Unit Warrant (other than on the exercise of a Unit Warrant and excluding a disposition on the expiry of a Unit Warrant), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such Share or Unit Warrant to the Resident Holder immediately prior to the disposition or deemed disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year in which a Share or Unit Warrant is disposed of, one-half of the amount of any capital gain (a "**taxable capital gain**") realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in such year by such Resident Holder. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation years against taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of Shares by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such Shares or shares substituted for such Shares to the extent and in the circumstances specified by the Tax Act. Similar rules apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Refundable Tax

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) also may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year which is defined to include taxable capital gains and certain dividends.

Minimum Tax

Capital gains realized and dividends received by a Resident Holder that is an individual or a trust, other than certain specified trusts designated within the Tax Act, may give rise to an alternative minimum tax under the Tax Act. Resident Holders should consult their own advisors with respect to the application of such minimum tax.

Holders Not Resident in Canada

The following section of this summary is generally applicable to Holders who for the purposes of the Tax Act, (i) are not and are not deemed to be resident in Canada for the purposes of the Tax Act or any applicable income tax treaty or convention, and (ii) do not and will not use or hold (or be deemed to use or hold) the Shares or Unit Warrants in carrying on a business in Canada ("**Non-Resident Holders**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere, or that is an "authorized foreign bank" (as defined in the Tax Act). Such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Corporation will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty or convention. For example, under the Canada-United States Tax Convention (1980), as amended (the "**Treaty**"), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty, is the beneficial holder of the dividends, and is fully entitled to benefits under the Treaty (a "**U.S. Holder**") is generally reduced to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Corporation's voting shares). Non-Resident Holders should consult their own tax advisors in this regard.

Dispositions of Shares and Unit Warrants

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Share or a Unit Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Share or Unit Warrant constitutes "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act, and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty or convention.

Provided the Shares are listed on a "designated stock exchange", as defined in the Tax Act (which includes the TSXV), at the time of disposition, the Shares and Unit Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, and partnerships in which the Non-Resident Holder or such non-arm's length person holds a membership interest (either directly or indirectly through one or more partnerships), or the Non-Resident Holder together with any combination of such persons, owned 25% or more of the issued shares of any class or series of shares of the Corporation; and (ii) more than 50% of the fair market value of the Shares of the Corporation was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act) or an option, in respect of, an interest or civil law right in, any such property, whether or not such property exists. Notwithstanding the foregoing, a Share or Warrant may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances.

A Non-Resident Holder's capital gain (or capital loss) in respect of a disposition of Shares or Unit Warrants that constitute or are deemed to constitute taxable Canadian property to a Non-Resident Holder (and are not "treaty protected property" as defined in the Tax Act) will generally be computed in the manner described above under the subheading "Holders Resident in Canada — Dispositions of Shares and Unit Warrants". Non-Resident Holders whose Shares or Unit Warrants are taxable Canadian property should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them.

There may be additional considerations not described herein in respect of the acquisition, disposition, or holding of Shares or Unit Warrants by a Non-Resident Holder. Non-Resident Holders who dispose of Shares to the Corporation should consult their own tax advisors having regard to their particular circumstances.

RISK FACTORS

An investment in the Units is speculative and involves certain risks. When evaluating the Corporation and its business, prospective purchasers of the Offered Shares should consider carefully the information set out in this Prospectus and the risks described below, and in the documents incorporated by reference in this Prospectus, including those risks identified and discussed under the heading "Risk Factors" in the Annual Information Form, and "Key Risks and Uncertainties" in the Annual MD&A, each of which are incorporated by reference herein.

The risks and uncertainties described or incorporated by reference herein are not the only ones the Corporation faces. Additional risks and uncertainties, including those that the Corporation is unaware of or that are currently deemed immaterial, may also adversely affect the Corporation and its business.

Risks Related to the Business

Implications of a COVID-19 Outbreak

The global outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to protect against the spread of the virus. Although the Corporation's business is considered essential, which has enabled construction projects on which the Corporation has contracted to continue, the contracted projects have been subject to significant and sometimes ongoing delays as it takes the Corporation's customers, mainly general contractors, longer to complete stages of a project that must be completed before the Corporation can manufacture and place its product onsite. In 2020, the Corporation experienced delays lasting weeks and in some cases months, which may impact the Corporation's projected sales for 2021. To date, once the Corporation's role in a project has commenced, CEMATRIX has not experienced any delays in completing its work in accordance with the original plan.

Although no projects have been lost during the COVID-19 pandemic to date, since the duration and continued impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any government and/or central bank interventions, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries for the future.

Risks Related to the Offering

An Investment in the Units is Speculative

An investment in the Units and the Corporation's prospects generally, are speculative due to the risky nature of its business and its present state of development. Investors may lose their entire investment and should carefully consider the risk factors described below and under the heading "Risk Factors" in the Annual Information Form and "Key Risks and Uncertainties" in the Annual MD&A.

Offside Debt Covenants

Although the Corporation has had positive cash flow from operations before changes in non-cash working capital for the two years ended December 31, 2019 and the nine months ended September 30, 2020, the Corporation has been offside one or more of its covenants with the Canadian Western Bank ("CWB") and the BDC. Both institutions have provided waivers in prior years and BDC has provided waivers for the year ended December 31, 2020. It is anticipated that CWB will provide a waiver for the year ended December 31, 2020, but there is no guarantee of the Corporation obtaining such waiver as of the date of this Offering. Furthermore, CEMATRIX would still be offside its debt covenants even after completing this Offering because the covenants relate to coverage of the debt principal and interest payments by cash generated from operations before cash generated by other means such as the exercise of warrants or the sale of shares.

Convertible Debenture

The three year 8% USD \$2.5 million convertible debenture in connection with the acquisition of MOS matures on May 31, 2021 and is expected to be converted into Common Shares of the Corporation. The Corporation is in discussions with the surviving debenture holder and the estate of the other, and currently anticipates the full amount of the debentures to be converted, based on the current trading price the shares in relation conversion ratio of the debentures. If one or both of the debenture holders do not convert, the Corporation may be unable to repay these unsecured creditors or may need to allocate funds from this Offering to satisfy the debt.

Discretion in the Use of Proceeds

Management will have discretion concerning the use of the proceeds of the Offering and the timing of expenditure. As a result, an investor will be reliant on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering other than as described under the heading "*Use of Proceeds*" if it believes doing so is in the Corporation's best interest and may use the proceeds in ways an investor may not consider desirable. The results and effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer.

Additional Financing

The continued development of the Corporation may require additional financing. There is no guarantee that the Corporation will be able to achieve its business objectives, including with respect to regional expansion and/or acquisitions, if it does not go to market in the future to raise additional capital for these purposes. The failure to raise or procure such additional funds if needed or the failure to continue to produce positive cash flows could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Corporation. If additional funds are raised by offering equity securities, existing shareholders could experience significant dilution.

Warrants

There is no market through which the Unit Warrants may be sold and purchasers may not be able to resell the Unit Warrants purchased under this Prospectus. This may affect the pricing of the Unit Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.

Volatile Market Price of the Common Shares

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control, including but not limited to the following: (i) actual or anticipated fluctuations in the Corporation's quarterly results of operations; (ii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Corporation; (iii) recommendations by securities research analysts; (iv) issuances or anticipated issuances of additional securities by the Corporation; (v) departure of executive officers and other key personnel of the Corporation; (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors; and (vii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Corporation's industry or target markets.

Financial markets have historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these and other related factors may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and

volume will not occur. If increased levels of volatility and market turmoil continue for a protracted period of time, the trading price of the Common Shares may be materially adversely affected.

Offering Amount

Completion of the Offering is subject to achievement of the Minimum Offering amount. Completion of the Offering also remains subject to a number of conditions precedent. There can be no certainty that the Offering will be completed. If the Offering is not completed, the Corporation may not be able to raise the funds required for the purposes contemplated under "Use of Proceeds" from other sources on commercially reasonable terms or at all.

If the Maximum Offering is not achieved, the Corporation may need significant additional financing, which it may seek to raise through, among other things, public and private equity offerings. Any equity financings will be dilutive to existing shareholders of the Corporation and additional financing may not be available on acceptable terms, or at all.

Risk Factors Related to Dilution

The Corporation is authorized to issue an unlimited number of Common Shares for the consideration and on those terms and conditions as shall be established by the board of directors of the Corporation without Shareholder approval, subject to applicable securities laws and stock exchange requirements. The Corporation's Shareholders have no pre-emptive rights in connection with such further issuances. The Corporation has outstanding options, warrants and other securities convertible into Common Shares which, if exercised or converted would result in dilution.

Profitability

There is no assurance that the Corporation will earn profits in the future, or that profitability will be sustained. The North American cellular concrete industry is considered early stage, particularly in Canada, and still requires the education of the market, validation of the product for various applications and acceptance of the product as a viable alternative to various legacy products currently used in the numerous applications that would benefit from CEMATRIX's cellular concrete products. As a result, there is no assurance that future revenues will be sufficient to generate the funds required to continue the Corporation's business development and marketing activities. If the Corporation does not have sufficient capital to fund its operations, it may be required to reduce its research and development efforts, or in the future reduce its marketing efforts or forego certain business opportunities.

Venture Issuer

As a venture issuer, the Corporation is not required to make representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting

In contrast to the certificate required for non-venture issues under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), our certifying officers, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers of the Corporation are not required to make any representations that they have:

- (a) designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by CEMATRIX in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (b) designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In certain of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus or any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, price revision or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering which involves warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus is limited, in certain provincial securities legislation, to the price at which the warrants are offered to the public under the Offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

INTERESTS OF EXPERTS

The independent auditor of the Corporation, MNP LLP has informed the Corporation that it is independent with respect to the Corporation in accordance with the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada.

Certain legal matters in connection with this Offering will be passed upon on behalf of the Corporation by McLeod Law LLP, and on behalf of the Agents by DuMoulin Black LLP. As at the date hereof, the partners and associates of McLeod Law LLP and DuMoulin Black LLP, each as a group, beneficially own, directly and indirectly, in the aggregate, less than one percent of the Common Shares.

AUDITOR, TRANSFER AGENT AND REGISTRAR

MNP LLP are the auditors of the Corporation and have confirmed that they are independent of the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

The registrar and transfer agent for the Common Shares is Computershare Trust Company of Canada with an office at 800-324 8th Avenue S.W. Calgary, Alberta, T2P 2Z2.

CERTIFICATE OF THE CORPORATION

March 1, 2021

This preliminary short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this preliminary short form prospectus as required by the securities legislation in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

CEMATRIX CORPORATION

Per: "Jeff Kendrick"
Jeff Kendrick
Chief Executive Officer

Per: "Randy Boomhour"
Randy Boomhour
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

Per: "Minaz Lalani"
Minaz Lalani
Director

Per: "Steve Bjornson"
Steve Bjornson
Director

CERTIFICATE OF THE AGENTS

March 1, 2021

To the best of our knowledge, information and belief, this preliminary short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this preliminary short form prospectus as required by the securities legislation in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

GRAVITAS SECURITIES INC.

Per: "Blayne Creed"
Blayne Creed
Chief Executive Officer

CLARUS SECURITIES INC.

Per: "Robert Orviss"
Robert Orviss
Managing Director