

FORM 51-102F3
Material Change Report

Item 1. Name and Address of Company

Fengro Industries Corp. ("Fengro" or the "Company")
Suite 1100 – 1111 Melville Street
Vancouver, BC
V6E 3V6

Item 2. Date of Material Change

August 23 and 24, 2018

Item 3. News Release

The News Releases dated August 23 and 24, 2018 were disseminated via TheNewswire.

Item 4. Summary of Material Change

Fengro announced that it has closed its non-brokered private placement (the "**Private Placement**") announced on July 25, 2018, in two tranches.

Fengro placed a total of 9,357,143 common shares ("**Common Shares**") in the Private Placement, for total proceeds of \$1,310,000.

Item 5.1 Full Description of Material Change

On August 23, 2018, Fengro announced that it has closed the first tranche of its Private Placement previously announced on July 25, 2018. The first tranche closing consists of a total of \$884,250 raised through the issuance of 6,316,072 Common Shares of the Company at a price of \$0.14 per Common Share.

All Common Shares issued in the first tranche closing are subject to a four-month hold period expiring on December 24, 2018.

On August 24, 2018, Fengro announced that it has closed the second and final tranche of its Private Placement. The second tranche closing consists of a total of \$425,750 raised through the issuance of 3,041,071 Common Shares of the Company at a price of \$0.14 per Common Share.

All Common Shares issued in the second tranche closing are subject to a four-month hold period expiring on December 25, 2018.

Fengro placed a total of 9,357,143 Common Shares in the Private Placement, for total proceeds of \$1,310,000.

Proceeds from the Private Placement will be used for corporate costs, working capital and business development.

The Common Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless

registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Item 5.2 Disclosure for Restructuring Transaction

Not Applicable.

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

Not Applicable.

Item 7. Omitted Information

Not Applicable.

Item 8. Executive Officer

The following Executive Officer of the Company is available to answer questions regarding this report:

Giles Baynham, Chief Executive Officer, 604-764-6126

Item 9. Date of Report

September 4, 2018