

**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**  
June 24, 2019

**Item 3. News Release**  
The News Release dated June 24, 2019 was disseminated via TheNewsWire.

**Item 4. Summary of Material Change**  
  
Fengro announced that it has agreed to a transaction with Geofoscal Comercio, Industria, Representacoes e Transporte de Produtos Agropecuarios Ltda. (“Geofoscal”) to acquire the Brazilian assets of the Company.

It also announced a change in the Company’s Chief Financial Officer.

**Item 5.1 Full Description of Material Change**  
  
Fengro announced that it has agreed to a transaction with Geofoscal to acquire the Brazilian assets of the Company. The transaction includes the assumption of the Company’s Brazilian working capital liabilities, accounts payable and a cash payment to Fengro of R\$1,000,000 (c.C\$350,000). The Company’s Board of Directors unanimously approved the transaction, which remains subject to shareholder and regulatory approval. The Company had undertaken a review of the alternative sources of financing its working capital and capital investment requirements, as well reviewing a number of opportunities with agricultural industry counterparts, including public and private entities over the last twelve months. Access to the traditional equity capital markets was unavailable, and the Company has been reducing costs and managing its cash position whilst concluding the review and a corporate transaction. To continue growth, capital investment was required, as well as a need to eliminate the working capital deficit. The Geofoscal transaction was the most realistic in terms of both financing and timing, given the inability of the Company to raise additional equity or other capital, and the need to eliminate the Company’s Brazilian liabilities.

The Company also wishes to announce the departure of the Company’s Chief Financial Officer, Alastair Brownlow, who has been replaced by Peter Ruxton, a nonexecutive director, until a permanent replacement can be found.

**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**

July 9, 2019