

Form 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 Reporting Issuer

ZCL Composites Inc.
6907 - 36 Street
Edmonton, Alberta T6B 2Z6

ITEM 2 Date of Material Change

June 17, 2004

ITEM 3 News Release

News Release dated June 17, 2004 was issued and disseminated on June 17, 2004 through the services of Canada Newswire and filed that same date on SEDAR.

ITEM 4 Summary of Material Change

ZCL Composites Inc. ("ZCL") announced the payment of its first dividend in the amount of \$0.06 per common share. This will be an annual dividend for all shareholders of record as of July 14, 2004 and will be paid on August 4, 2004.

ITEM 5 Full Description of Material Change

ZCL announced the payment of its first dividend in the amount of \$0.06 per common share. This is an annual dividend for all shareholders of record as of July 14, 2004 and will be paid on August 4, 2004.

In establishing this annual dividend, the Board of Directors carefully considered the ZCL's strong results, cash flow and financial position, and the anticipated cash required to continue the strategic growth plan. The recently announced long-term contract renewals with several major customers provide a strong foundation and reflect the ZCL's ability to maintain innovation and performance. The dividend will be reviewed annually, based on year-end results.

ITEM 6 Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

None

ITEM 7 Omitted Information

Not Applicable

ITEM 8 Executive Officer

Tony Barlott
Chief Financial Officer
Phone: (780) 466-6648

ITEM 9 Date of Report

June 23, 2004

(signed) "Tony Barlott"

Tony Barlott,
Vice-President and Chief Financial Officer