

MATERIAL CHANGE REPORT

1. **Name and Address of the Principal Office of the Reporting Issuer**

Malette Québec Inc. ("Malette")
800 René-Lévesque Street
Suite 2790
Montréal, Québec
H3B 1X9

2. **Date of Material Change**

October 21, 1997

3. **Press Release**

A press release disclosing the nature and substance of the material change was disseminated on October 23, 1997 and was filed with the securities commission or similar regulatory authorities of each of the provinces of Canada. A copy of the press release (in English and in French) is annexed hereto.

4. **Summary of Material Change**

Malette intends, subject to regulatory approval, to issue to holders of its common shares (the "Common Shares"), transferable rights ("Subscription Rights") to subscribe for Common Shares.

Each holder of Common Shares shall receive one Right for each Common Share held. The final terms of the offering, including the subscription price per Common Share, will only be determined prior to the filing of a final prospectus.

A preliminary prospectus in regard to the offering was filed with the securities commission or similar regulatory authorities in each of the provinces of Canada on October 22, 1997 and with the Montreal Exchange and The Toronto Stock Exchange on October 23, 1997.

The net proceeds of the offering will be used to complete the final phase of the modernization of Malette's OSB plant and to increase Malette's working capital.

5. **Full Description of Material Change**

Malette intends, subject to regulatory approval, to issue Subscription Rights to holders of its Common Shares.

The final terms of the offering and the subscription price per Common Share (the "Subscription Price") will only be determined prior to the filing of a final prospectus.

A preliminary prospectus in regard to the offering was filed with the securities commission or similar regulatory authorities in each of the other provinces of Canada on October 22, 1997 and with the Montreal Exchange and The Toronto Stock Exchange on October 23, 1997.

The Subscription Rights shall be evidenced by transferable rights certificates ("Subscription Rights Certificates"). A Subscription Rights Certificate will be sent to each registered holder of Common Shares of record as of the record date in regard to the offering, other than shareholders with an address of record outside Canada.

The Subscription Rights Certificates registered in the name of shareholders whose address of record is outside Canada will not be sent to them but will be retained and held in Canada by General Trust. Instructions as to the sale, transfer or exercise of the Subscription Rights represented thereby will not be accepted from such shareholders. The Subscription Rights evidenced by such Subscription Rights Certificates will be sold by General Trust, on behalf of such respective holders. The aggregate net proceeds, if any, received by General Trust from such sale (after deduction of applicable withholding tax) will be divided pro rata among such holders, and paid to them by cheque.

Each registered holder of a Subscription Rights Certificate mailed upon the original issue will be entitled to round up his subscription to the next highest whole number of Common Shares. This step-up privilege (the "Step-Up Privilege") will be void and of no effect if the Subscription Rights Certificate is divided or combined or if any of the Subscription Rights evidenced by such certificate are sold, transferred or assigned by the holder to whom such Subscription Rights were originally issued.

A subscriber who exercises only some, but not all, of the Subscription Rights evidenced by a Subscription Rights Certificate may instruct General Trust to send to the subscriber a Subscription Rights Certificate evidencing the Subscription Rights that were not exercised.

Any holder of a Subscription Rights Certificate who, after giving effect to the Step-Up Privilege, if applicable, exercises the right to subscribe for all the Common Shares that can be subscribed for with the Subscription Rights evidenced by such certificate, has the privilege (the "Additional Subscription Privilege") of subscribing for additional Common Shares at the Subscription Price. The Common Shares available for such purpose will be those that have not been subscribed and paid for at the expiration of the Subscription Rights.

The gross proceeds to be derived from the offering are estimated to be approximately \$14,347,678 assuming all Common Shares offered are subscribed for. The net proceeds of the offering will be used to complete the final phase of the remodernization of Malette's OSB plant and to increase Malette's working capital.

Malette, Rexfor, GLV Inc. ("MRG"), being the holder of approximately 85% of the outstanding Common Shares, has agreed to exercise all of the Subscription Rights to be issued to it and to subscribe for such number of additional Common Shares pursuant to the Additional Subscription Privilege (after giving effect to the exercise, if any, by all other holders of Subscription Rights of the Additional Subscription Privilege), the whole in order that the Company will realize the maximum gross proceeds of \$14,347,678 from this offering.

6. **Omitted Information**

Not applicable.

7. **Senior Officers**

Daniel Tardif, C.A., President and Chief Operating Officer of Malette, is knowledgeable about the material change described herein and may be contacted at Malette's corporate offices at (514) 397-0735.

8. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

(signed)

Daniel Tardif, C.A.
President and Chief Operating Officer
Malette Québec Inc.

Malette Québec Inc.

***PRESS
Release***

**For immediate release
Montréal, October 23, 1997**

MALETTE QUÉBEC INC. PROPOSES AN ISSUANCE OF SUBSCRIPTION RIGHTS

Malette Québec Inc. announces that it expects, subject to applicable regulatory approval, to proceed with a rights offering in the amount of approximately \$14 million. Pursuant to the proposed rights offering, holders of the Company's common shares will be entitled to subscribe for additional common shares. The final terms of the offering will be determined prior to the filing of a final prospectus in respect of the offering.

A preliminary prospectus has been filed in each of the provinces.

Company officials stated that the Company's majority shareholder Malette, Rexfor, GLV Inc. has agreed to exercise all of the rights that will be issued to it (for subscription proceeds of approximately \$12 million) and to exercise all of the rights which are not exercised by the public, in order to guarantee to the Company the maximum offering.

Proceeds of the issue will be used to complete the second phase of the modernization of the oriented strand board plant located in Saint-Georges-de-Champlain, Québec, and to increase the Company's available liquidity.

For information:

Mr. Daniel Tardif, C.A.
President and Chief Operating Officer
(514) 397-0735

Mr. Raymond L. Barrette, C.A.
Vice-President, Finance and Chief Financial Officer
(705) 268-1462

Malette Québec Inc.

COMMUNIQUÉ
de presse

Pour diffusion immédiate
Montréal, le 23 octobre 1997

MALETTE QUÉBEC INC. PROPOSE UNE ÉMISSION DE DROITS DE SOUSCRIPTION

Malette Québec Inc. annonce qu'elle a l'intention de procéder, sous réserve des autorisations réglementaires applicables, à une émission de droits de souscription d'une valeur d'environ 14 millions de dollars. En vertu de l'offre de souscription projetée, les détenteurs d'actions ordinaires de la société auront le droit de souscrire à des actions ordinaires additionnelles. Les modalités définitives du placement seront déterminées avant le dépôt du prospectus définitif relativement au placement.

Un prospectus provisoire a été déposé dans chacune des provinces.

Les représentants de la société ont indiqué que l'actionnaire majoritaire de la société Malette, Rexfor, GLV Inc. s'est engagé à exercer tous les droits de souscription qui lui seront émis (pour un produit de souscription d'environ 12 millions de dollars) et d'exercer tous les droits qui ne seront pas exercés par le public, afin d'assurer à la société le produit maximal du placement.

Le produit d'émission servira à compléter la deuxième phase de la modernisation de l'usine de panneaux de gaufres orientées située à Saint-Georges-de-Champlain, Québec, et d'augmenter la liquidité disponible de la société.

Pour plus de renseignements:

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Président et chef de la direction
(514) 397-0735

M. Raymond L. Barrette, c.a.
Vice-président, Finances et, chef des services financiers
(705) 268-1462