FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Riverside Forest Products Limited
820 Guy Street
Kelowna, BC V1Y 7R5

Item 2. Date of Material Change

September 15, 2004

Item 3. News Release

The news release was disseminated through CCN Matthews on September 15, 2004.

Item 4. Summary of Material Change

Riverside's Board files Directors' Circular responding to take-over bid commenced by Tolko Industries Ltd. on August 31, 2004, recommending that shareholders reject the Tolko offer.

Item 5. Full Description of Material Change

On September 15, Riverside mailed to shareholders and filed a Directors' Circular providing shareholders with the Riverside Board's formal recommendation on the unsolicited offer from Tolko Industries Ltd. to purchase all of the outstanding common shares of Riverside it does not already own at a price of C$29.00 per share. In the Circular, the Riverside Board unanimously recommends that shareholders reject the Tolko offer and not tender their shares.

Among the reasons cited by the Board and the Special Committee for their conclusion that the Tolko offer undervalues Riverside are the following:

- The offer is priced at valuation multiples substantially below those derived from recent comparable transactions;
- It does not reflect the value of Riverside's current business or its growth prospects;
- It does not reflect Riverside's substantial cash on hand, which represents approximately C$17.88 per share;
- It also does not reflect the potential for return of the US$88.4 million (or approximately C$8.00 per share) that Riverside has on deposit with the United States government or accrued in respect of countervailing and anti-dumping duties to August 31, 2004;

- The offer does not recognize the substantial increase in profits (an estimated C$20 million or C$2.12 per share in annual synergies) expected from Riverside's recent acquisition of Lignum Limited;
- The offer represents a substantial discount to the current market price of Riverside's shares;
- Riverside has received opinions from each of BMO Nesbitt Burns Inc. and Bear, Stearns & Co. Inc. to the effect that the Tolko offer is inadequate from a financial point of view to shareholders other than Tolko.

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

Not applicable

Item 7. Omitted Information

None

Item 8. Executive Officer

Michael E. Moore, CFO
Business Telephone: 250.861.6904

Item 9. Date of Report

September 20, 2004

RIVERSIDE FOREST PRODUCTS LIMITED

"Michael E. Moore"

Per: ______________________________
Michael E. Moore, Chief Financial Officer