

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1. Name and Address of Company

EACOM TIMBER CORPORATION (“EACOM”)
1100 René-Lévesque Blvd. West
Suite 2110
Montreal, QC H3B 4N4

Item 2. Date of Material Change

November 13, 2012

Item 3. News Release

A news release announcing the change referred to in this report was issued on November 13, 2012 at Vancouver, BC and Montreal, PQ via CNW (Canada News Wire) and subsequently filed on SEDAR as project #01981724.

Item 4. Summary of Material Change

EACOM announced that it has commenced preliminary preparation for the reconstruction of the Timmins mill which was destroyed by fire earlier this year. A substantial portion of the total cost of the project is being funded from proceeds of insurance related to the fire. To date, the Company has received \$23,700,000 of insurance proceeds, of which \$10,000,000 for damage or destruction of assets and \$13,700,000 related to business interruption.

Item 5. Full Description of Material Change

See the news release issued on November 13, 2012, a copy of which is attached to this report.

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

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

For further information, please contact Marc Girard, Chief Financial Officer and Executive Vice President at (514) 848-5133.

Item 9. Date of Report

Dated this 21st day of November, 2012.



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EACOM Timber Corporation announces its third quarter results

November 13, 2012 – Montréal, Québec and Vancouver, British Columbia – EACOM Timber Corporation (ETR: TSX-V) (“EACOM”, or the “Company”) is pleased to announce its third quarter results for the three-month period ended September 30, 2012 and the commencement of the reconstruction of its Timmins mill.

HIGHLIGHTS

- ***EACOM recorded a positive adjusted EBITDA of \$1.5 million for the third quarter***
- ***EACOM generated positive cash flows from operations of \$2.8 million during the quarter***
- ***Substantial progress with the upgrades underway at Nairn Centre and Elk Lake***
- ***Preparation for commencement of the reconstruction of the Timmins mill***

The third quarter saw a continuation of the significant improvement in housing activity which had a positive impact on lumber consumption, contributing to a stronger pricing environment and higher mill realizations for the Company. This improvement was somewhat offset by start-up costs at two of its mills which had been temporarily shut down since the second half of 2011, Val-d’Or and Matagami, and by downtime costs related to upgrades underway at Nairn Centre and Elk Lake. As a result, the Company recorded a positive adjusted EBITDA of \$1,482,000 for the third quarter ended September 30, 2012, down from \$2,792,000 in the previous quarter but up against a negative adjusted EBITDA of \$4,367,000 in the corresponding quarter of 2011.

During the third quarter, the Company made significant progress in its capital improvements targeted at increasing the production capacity at two of its mills, Nairn Centre and Elk Lake. Improvements at Nairn Centre are now completed. Construction at Elk Lake is expected to be completed shortly following a six-week shutdown of the mill. These upgrades are expected to partially offset the capacity lost at Timmins and mitigate some of the damages incurred as a result of the fire. A significant portion of these investments will be reimbursed under the business interruption insurance claim.

The Company has also commenced preliminary preparation for the reconstruction of the Timmins mill which was destroyed by fire earlier this year. A substantial portion of the total



cost of the project is being funded from proceeds of insurance related to the fire. To date, the Company has received \$23,700,000 of insurance proceeds, of which \$10,000,000 for damage or destruction of assets and \$13,700,000 related to business interruption.

'We are progressing well with our capital expenditure program at Nairn Centre and Elk Lake. We also moved forward with the commencement of the rebuilding process at Timmins. The Company intends to continue its focused capital investments with a view to increase capacity and recovery, and reduce manufacturing costs. This should contribute to improve our competitiveness in the global forestry sector. It should also provide a more stable and sustainable employment environment for our employees in the communities where we operate', stated Rick Doman, President and CEO.

QUARTER ENDED SEPTEMBER 30, 2012 vs. QUARTERS ENDED JUNE 30, 2012 AND SEPTEMBER 30, 2011

For the quarter ended September 30, 2012, the net loss attributable to shareholders amounted to \$964,000 or \$0.00 per common share, against a net loss of \$709,000 or \$0.00 per common share in the previous quarter and a net loss of \$564,000 or \$0.00 per common share in the corresponding quarter of 2011. During the corresponding quarter of 2011, the Company recorded a gain of \$4,339,000 on the sale of the idled mill located in Big River, Saskatchewan and a \$2,940,000 recovery of income taxes as a result of the acquisition of the remaining one-third interest in the Elk Lake mill.

During the third quarter, the Company recorded sales of \$63,380,000, down 3% against sales of \$65,256,000 in the previous quarter but up 3% against sales of \$61,396,000 in the corresponding quarter of 2011. The Company's sales include both lumber and by-product sales. During the quarter, the Company shipped 125 million board feet of lumber (133 million board feet in the previous quarter and 135 million board feet in the corresponding quarter of 2011) and 127,000 oven-dried metric tons of by-products (119,000 oven-dried metric tons in the previous quarter and 138,000 oven-dried metric tons in the corresponding quarter of 2011).

Pricing has improved again in the third quarter of 2012 with benchmark lumber prices averaging US\$394/Mfbm for studs and US\$404/Mfbm for random lengths delivered Great Lakes, up 2% and 3% from US\$388/Mfbm and US\$393/Mfbm respectively in the second quarter of 2012. Mill realizations were impacted by a slightly stronger Canadian dollar with the exchange rate relative to the US\$ averaging 1.005 in the third quarter of 2012, up 2% against an average of 0.990 in the previous quarter. Compared to the corresponding quarter of 2011, studs and random lengths are trading at prices 24% and 22% above the levels achieved last year, and the Canadian dollar is down 1% relative to the US\$.

Substantially all of the Company's sales were to North American customers. Sales to U.S. customers are subject to export taxes and volume quotas under Option B of the Softwood Lumber Agreement. Effective July 1, 2012, the export tax rate for sales to U.S. customers decreased from 3% to 2.5%, increasing back to 3% for the months of August and September. Overall, compared to the corresponding quarter of 2011, export taxes paid by EACOM decreased from \$1,095,000 to \$388,000 as a result of lower shipments and a decrease in the export tax rate for sales to U.S. customers.

Lumber production for the quarter ended September 30, 2012 was 112 million board feet of lumber, against 109 million board feet in the previous quarter and 126 million board feet in the corresponding quarter of 2011. During the third quarter, the Company operated at 45% of its capacity (40% during the previous quarter and 51% in the corresponding quarter of 2011). Mills in Val-d'Or and Matagami resumed their operations during the third quarter –



these mills had been temporarily shut down since the second half of 2011 due to weak market conditions. Compared to the corresponding quarter of 2011, the capacity lost at Timmins where operations have been interrupted since January 22, 2012 as a result of the fire at the mill site has been partially mitigated by higher production levels at two other sites, and by the additional production at Elk Lake following the acquisition of the remaining one-third interest in that mill in the third quarter of 2011.

Unit costs increased compared to those experienced in the second quarter of 2012 and in the corresponding quarter of 2011 as a result of the higher cost mills resuming their operations and downtime costs related to upgrades underway at Nairn Centre and Elk Lake.

FINANCIAL POSITION

At September 30, 2012, the Company had cash and cash equivalents of \$31,807,000 and restricted cash of \$10,000,000 (\$37,711,000 and \$10,000,000 respectively at June 30, 2012). Its credit facility was undrawn against a borrowing availability of \$8,432,000 (outstanding advances of nil and a borrowing availability of \$7,900,000 at June 30, 2012).

During the third quarter, the Company generated positive cash flows from operations of \$2,755,000 (prior to net changes in non-cash working capital), down from \$3,211,000 in the previous quarter.

Substantially all of the \$6,356,000 in capital spending during the quarter was targeted at improving the production capacity at two of the Company's mills which, once completed, will partially offset the lost capacity at Timmins and mitigate some of the damages incurred as a result of the fire. A significant portion of these investments will be reimbursed under the business interruption insurance claim.

About EACOM

EACOM Timber Corporation is a TSX-V listed company. The business activities of EACOM consist of the manufacturing, marketing and distribution of lumber, wood chips and wood-based value-added products, and the management of forest resources. EACOM owns eight sawmills, all located in Eastern Canada, and related tenures. The mills are Timmins, Nairn Centre, Gogama, Elk Lake and Ear Falls in Ontario, and Val-d'Or, Ste-Marie and Matagami in Quebec. The mills in Ear Falls, Ontario and Ste-Marie, Quebec are currently idled. Operations in Val-d'Or and Matagami which had been temporarily shut down due to weak market conditions resumed during the third quarter. The mill in Timmins was substantially damaged by fire in January 2012 and remains shut down. EACOM also owns a lumber remanufacturing facility in Val-d'Or, Quebec, and a 50% interest in an "I" joist plant in Sault Ste-Marie, Ontario.

The TSX Venture Exchange has neither approved nor disapproved the content of this press release. All director and officer appointments are subject to TSX Venture Exchange approval.

Forward-Looking Statements

All statements in this news release that are not based on historical facts are "forward-looking statements". While management has based any forward-looking statements contained herein on its current expectations, the information on which such expectations were based may change. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of risks, uncertainties and other factors, many of which are beyond our control and could cause actual results to



materially differ from such statements. Such risks, uncertainties and other factors include, but are not necessarily limited to, those set forth under "RISKS AND UNCERTAINTIES" in the Company's current MD&A, and under "RISK FACTORS" in the Company's Filing Statement dated January 8, 2010.

The financial information included in this release also contains certain data that are not measures of performance under IFRS. For example, "EBITDA" and "Adjusted EBITDA" are measures used by management to assess the operating and financial performance of the Company. We believe that EBITDA and Adjusted EBITDA are measures often used by investors to assess a company's operating performance. EBITDA and Adjusted EBITDA have limitations and you should not consider these items in isolation, or as substitutes for an analysis of our results as reported under IFRS. Because of these limitations, EBITDA and Adjusted EBITDA should not be used as substitutes for net loss or cash flows from operating activities as determined in accordance with IFRS, nor are they necessarily indicative of whether or not cash flows will be sufficient to fund our cash requirements. In addition, our definition of EBITDA and Adjusted EBITDA may differ from those of other companies. A reconciliation of EBITDA and Adjusted EBITDA to net loss attributable to shareholders is set forth under "Supplemental Information on Non-GAAP Measures" in the Company's current MD&A.

Additional information relating to EACOM is available at www.eacom.ca and on SEDAR at www.sedar.com.

Investors:

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The following table provides an overview of the Company's financial results for the quarters ended September 30, 2012, June 30, 2012 and September 30, 2011, along with some key operating metrics.

<i>(in thousands of dollars, except where otherwise noted)</i>	Q3 2012	Q2 2012	Q3 2011
Sales	63,380	65,256	61,396
Operating income (loss)	(900)	228	(7,898)
Net loss attributable to shareholders	(964)	(709)	(564)
Average lumber price in US\$ - RL 2×4 #1&2 ⁽¹⁾	404	393	332
Average lumber price in US\$ - Stud 2×4×8 ⁽¹⁾	394	388	318
Average exchange rate (US\$ per C\$1.00)	1.005	0.990	1.020
Production - SPF lumber (MMfbm)	112	109	126
Shipments - SPF lumber (MMfbm)	100	105	115
Shipments - wholesale lumber (MMfbm)	25	28	20
Cdn. housing starts (thousands of units)	223	229	205
U.S. housing starts (thousands of units)	786	739	614

(1) Eastern spruce/pine/fir, per thousand board feet delivered Great Lakes (Source: Random Lengths Publications, Inc.)

The following table reconciles the Company's net loss attributable to shareholders, as reported in accordance with IFRS, to EBITDA and adjusted EBITDA for the quarters ended September 30, 2012, June 30, 2012 and September 30, 2011.

<i>(in thousands of dollars)</i>	Q3 2012	Q2 2012	Q3 2011
Net loss attributable to shareholders	(964)	(709)	(564)
<i>Add (subtract):</i>			
Depreciation	2,585	2,394	3,435
Financing expense	1,652	1,444	397
Income tax recovery	-	-	(2,940)
EBITDA	3,273	3,129	328
Share of earnings in a joint venture	(94)	(267)	(363)
Gain on disposal of property, plant and equipment	(1)	-	(4,332)
Gain on business interruption	(1,696)	(70)	-
Adjusted EBITDA	1,482	2,792	(4,367)

