CONIFEX TIMBER INC.

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Conifex Timber Inc.
Suite 110, 2925 Virtual Way
Vancouver, British Columbia
V5M 4X5

Item 2: Date of Material Change

December 1, 2011

Item 3: News Release

On December 1, 2011, Conifex Timber Inc. (the "**Company**") issued a news release through the facilities of Marketwire.

Item 4: Summary of Material Change

The Company completed its previously announced senior secured financing pursuant to which it issued promissory notes in the aggregate principal amount of $12 million.

Item 5: Full Description of Material Change

The Company completed its previously announced senior secured financing pursuant to which it issued promissory notes in the aggregate principal amount of $12 million.

The promissory notes will expire on December 31, 2012, subject to early redemption by the Company as provided in the notes, and bear interest rates of 10% for the first six months and 12% for the remaining term of the loan. As additional consideration for the loan, the Company issued share purchase warrants entitling the holders to purchase up to an aggregate of 325,000 common shares of the unissued capital stock of the Company at a price of $9.50 per share until December 31, 2014. The warrants (and the underlying common shares) are subject to a hold period of four months and a day from the date of issue of the warrants.

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 senior officer of the Company is knowledgeable about the material change and this report:

Yuri Lewis
Chief Financial Officer
(778) 331-8687

Item 9: Date of Report

December 7, 2011