CONIFEX TIMBER INC.

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Conifex Timber Inc.
980 – 700 West Georgia Street
Vancouver, British Columbia V7Y 1B6

Item 2: Date of Material Change

November 9, 2021

Item 3: News Release

On November 9, 2021, Conifex Timber Inc. ("**Conifex**" or the "**Company**") issued a news release through the facilities of Globenewswire.

Item 4: Summary of Material Change

On November 9, 2021, Conifex announced that its Board of Directors had authorized the making of a substantial issuer bid (the "**Offer**") pursuant to which Conifex will offer to purchase from shareholders for cancellation up to 4,000,000 of its outstanding common shares (the "**Shares**") at a price of $2.25 per Share (the "**Purchase Price**"). The Offer commenced on November 12, 2021 and will expire at 5:00 p.m. (Toronto time) on December 20, 2021, unless otherwise extended, varied or withdrawn by the Company.

Further to the announcement of the Offer, Conifex has filed its offer to purchase (the "**Offer to Purchase**") and related issuer bid circular, each dated November 12, 2021 (together, the "**Offer and Circular**") on SEDAR on November 12, 2021, together with a letter of transmittal and notice of guaranteed delivery (together, the "**Offer Documents**").

Item 5: Full Description of Material Change

On November 9, 2021, the Company announced the terms and conditions of the Offer to purchase for cancellation up to 4,000,000 Shares at the Purchase Price for total consideration of up to $9,000,000.

The Offer is optional for all Shareholders, who are free to choose whether to participate and how many Shares to tender. The Offer is for up to approximately 9% of the total number of issued and outstanding Shares on a non-diluted basis and will be funded through available cash on hand. The Offer is denominated in Canadian dollars.

Term of the Offer

The Offer commenced on November 12, 2021 and will expire at 5:00 p.m. (Toronto time) on December 20, 2021, unless extended, varied or withdrawn by the Company.

Conditions to the Offer

The Offer is subject to the conditions to the Offer, which are set out in the Offer and Circular under Section 5 "Certain Conditions of the Offer" of the Offer to Purchase.

Purchase Price

The Purchase Price is $2.25 per Share. If less than 4,000,000 Shares are properly tendered and not properly withdrawn, the Company will purchase all Shares tendered. If more than 4,000,000 Shares are properly tendered and not withdrawn, Conifex will purchase the Shares on a pro rata basis after giving effect to "odd lot" tenders (of holders beneficially owning fewer than 100 Shares), which will not be subject to pro-ration. All Shares that are tendered but not purchased will be returned to shareholders.

Conifex believes that the Offer is in the best interests of the Company and its Shareholders, and permits the Company to return up to $9,000,000 of capital to Shareholders who elect to tender their Shares, while increasing the proportionate ownership interest of Shareholders who elect not to tender or whose tendered Shares are not taken up.

Offer Documents

Details of the Offer, including instructions for tendering Shares and the full conditions to the Offer, are included in the Offer Documents. The Offer Documents have been mailed to Shareholders, filed with applicable Canadian securities regulatory authorities on SEDAR at www.sedar.com, and posted on the Company's website at www.conifex.com. Shareholders should carefully read the Offer Documents prior to making a decision with respect to the Offer.

Additional Information

The Board of Directors has obtained an opinion from Raymond James Ltd. to the effect that, as at November 8, 2021 and based on and subject to the assumptions and limitations stated in such opinion, there is a liquid market for the Shares as at November 8, 2021 and it is reasonable to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for the holders of Shares who do not tender their Shares to the Offer that is not materially less liquid than at the time of making the Offer. Computershare Investor Services Inc. has been engaged to act as depositary for the Offer. Any questions or requests for information regarding the Offer may also be directed to the depositary.

The foregoing summary of the Offer as set out in this material change report does not purport to be a comprehensive and complete summary thereof and is qualified in its entirety by reference to the Offer Documents and any amendments, variations or supplements if and when they become available. Shareholders and interested parties should carefully read the Offer Documents prior to making a decision with respect to the Offer.

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

The following senior officer of Conifex is knowledgeable about the material change and this report:

Winny Tang
Chief Financial Officer
(604) 216-6821

Item 9: Date of Report

November 18, 2021