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

January 2, 2025

Item 3: News Release

On January 2, 2025, Conifex Timber Inc. ("**Conifex**") issued a news release through the facilities of GlobeNewswire.

Item 4: Summary of Material Change

On January 2, 2025, Conifex announced that it amended and restated its existing credit agreement (the "**Amended Agreement**") with PenderFund Capital Management Ltd. ("**Pender**"). The Amended Agreement increases the aggregate principal amount of the secured term loan provided thereunder to up to $41 million and continues to have a term of 5 years from original issuance.

Item 5: Full Description of Material Change

On January 2, 2025, Conifex announced its Amended Agreement with Pender. The Amended Agreement increases the aggregate principal amount of the secured term loan provided thereunder to up to $41 million, of which $5 million is available immediately, and the remaining $11 million is subject to completion of financial diligence. The loan continues to have a term of 5 years from original issuance and is substantially on the same terms, including the same annual interest rate. The loan was advanced in lieu of Conifex's consideration of a working capital facility to fund ongoing working capital requirements.

As partial consideration, subject to stock exchange approval, Pender will receive from Conifex up to 5,904,000 warrants, with each warrant being exercisable into one common share for a period of five years on payment of $0.50 per warrant. Pursuant to applicable securities laws, the warrants will be subject to a hold period of four months and one day from issuance. Concurrently, Pender has agreed to cancel all of its existing 3,600,000 warrants.

Pender shall have the right to appoint one director to the board of directors of Conifex on customary terms while the loan remains outstanding. The Amended Agreement includes mandatory prepayment obligations.

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:

Trevor Pruden
Chief Financial Officer
(604) 216-2949

Item 9: Date of Report

January 10, 2025