

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Canfor Pulp Products Inc. (“**Canfor Pulp**”)
101 - 161 East 4th Avenue
Vancouver, BC V5T 1G4

Item 2 Date of Material Change

December 3, 2025

Item 3 News Release

A news release was issued by Canfor Pulp on December 3, 2025 via Cision and filed on SEDAR+ at www.sedarplus.ca.

Item 4 Summary of Material Change

On December 3, 2025, based on the recommendation of an independent committee of Canfor Pulp’s board of directors (the “**Special Committee**”), Canfor Pulp entered into an arrangement agreement (the “**Arrangement Agreement**”) with Canfor Corporation (“**Canfor Corp**”). Under the terms of the Arrangement Agreement, Canfor Corp, which along with its affiliates owns approximately 54.8% of the issued and outstanding common shares of Canfor Pulp (“**Canfor Pulp Shares**”), will acquire all of the Canfor Pulp Shares it does not already own by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia). Shareholders of Canfor Pulp (“**Shareholders**”), other than Canfor Corp and its affiliates, will have the option to receive, for each Canfor Pulp Share held: 0.0425 of a common share of Canfor Corp (the “**Share Consideration**”), or \$0.50 in cash (the “**Cash Consideration**” and together with the Share Consideration, the “**Consideration**”).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On December 3, 2025, based on the recommendation of the Special Committee, Canfor Pulp entered into the Arrangement Agreement with Canfor Corp. Under the terms of the Arrangement Agreement, Canfor Corp, which along with its affiliates owns approximately 54.8% of the Canfor Pulp Shares, will acquire all of the Canfor Pulp Shares it does not already own for the Consideration by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) (the “**Transaction**”).

The independent Special Committee, comprised of Norm Mayr (Chair) and Craig Armstrong, was constituted to consider the Transaction, as well as to consider alternatives to the Transaction. The Special Committee, on behalf of the board of

directors of Canfor Pulp (the “**Canfor Pulp Board**”), obtained a formal valuation (the “**Valuation**”) from Stifel Nicolaus Canada Inc. (“**Stifel**”), as independent financial advisor and independent valuator, as required by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Valuation was prepared under the supervision of the Special Committee and provides that in Stifel’s opinion, as at December 3, 2025, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the fair market value of the Canfor Pulp Shares is in the range of \$0.08 to \$0.52 per Canfor Pulp Share.

In addition, Stifel has provided a fairness opinion to the Special Committee (the “**Fairness Opinion**”), stating that, in Stifel’s opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by the Shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to such Shareholders.

The Canfor Pulp Board, after receiving financial and legal advice, and following receipt of the Valuation and the Fairness Opinion, and the recommendation of the Special Committee, approved the Transaction, determined that the Transaction is in the best interests of Canfor Pulp and fair to Shareholders (other than Canfor Corp and its affiliates) and resolved to recommend in the management information circular to be sent to Shareholders that Shareholders vote in favour of the Transaction. John Baird, Susan Yurkovich, Sandra Stuart and Dieter Jentsch recused themselves from the Canfor Pulp Board meeting considering and approving the Transaction, and therefore abstained from voting on the resolution of the Canfor Pulp Board approving the Transaction, as such individuals are also directors of Canfor Corp.

In addition, an existing shareholder of Canfor Pulp holding approximately 4.4% of the Canfor Pulp Shares has entered into an agreement to support the Transaction and vote their Canfor Pulp Shares in favour of the Transaction.

The Transaction will be implemented by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) and will require the approval of: (i) 66 2/3% of the votes cast by the holders of the Canfor Pulp Shares; and (ii) a simple majority of the votes cast by the Shareholders after excluding any votes of Canfor Corp and certain other persons required to be excluded under MI 61-101, all at a special meeting of Canfor Pulp’s shareholders to consider the Transaction (the “**Special Meeting**”).

The completion of the Transaction will also be subject to obtaining required court, regulatory, shareholder and other approvals and satisfaction of closing conditions customary for a transaction of this nature. The Arrangement Agreement provides for a go-shop period extending until January 19, 2026 (the “**Go-Shop Period**”), during which Canfor Pulp will be permitted to actively solicit, evaluate and enter into negotiations with third parties that express an interest in acquiring Canfor Pulp. Following expiry of the Go-Shop Period, Canfor Pulp will be subject to customary non-solicitation covenants with “fiduciary out” provisions that entitle Canfor Pulp

to consider and accept a Superior Proposal (as defined in the Arrangement Agreement). Canfor Corp will not have the right to match a Superior Proposal made by a third-party.

It is anticipated that the Special Meeting to consider the Transaction will be held in the first quarter of 2026. If the Transaction is completed, Canfor Pulp Shares will be delisted from trading on the Toronto Stock Exchange (“TSX”) following closing of the Transaction. The Transaction is expected to close in the first quarter of 2026.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

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

Patrick Elliott
CFO and Corporate Secretary
(604) 661-5441

Item 9 Date of Report

December 5, 2025.

Forward Looking Statements

Certain statements in this material change report constitute “forward-looking statements” which involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. These forward-looking statements include, among others, the required court, regulatory, shareholder and other approvals, the satisfaction of closing conditions for the Transaction, the anticipated date of the Special Meeting, the anticipated timing of the closing of the Transaction and the delisting of the Canfor Pulp Shares from the TSX. Words such as “expects”, “anticipates”, “projects”, “intends”, “plans”, “will”, “believes”, “seeks”, “estimates”, “should”, “may”, “could”, and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are based on current expectations and beliefs and actual events or results may differ materially.

Although Canfor Pulp believes that the forward-looking statements in this material change report are based on information and assumptions that are current, reasonable and complete, these

statements are by their nature subject to a number of factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking statements, including, without limitation, the following factors, many of which are beyond Canfor Pulp's control and the effects of which can be difficult to predict: the possibility that the Transaction will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, required Shareholder and regulatory approvals and other conditions of closing necessary to complete the Transaction or for other reasons; the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the Transaction; risks relating to Canfor Pulp's ability to retain and attract key personnel during the interim period; the possibility of litigation relating to the Transaction; credit, market, currency, operational, liquidity and funding risks generally and relating specifically to the Transaction, including changes in economic, industry and market conditions, interest rates, commodity prices, tariffs, duties or import taxes; risks and uncertainties relating to information management, technology, supply chain, product safety, changes in law, competition, seasonality, commodity price and business; and other risks inherent to Canfor Pulp's business and/or factors beyond its control which could have a material adverse effect on Canfor Pulp or the ability to consummate the Transaction.

Canfor Pulp cautions that the foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect its results. For more information on the risks, uncertainties and assumptions that could cause Canfor Pulp's actual results to differ from current expectations, please refer to the "Risk Factors" section of Canfor Pulp's Management's Discussion & Analysis for the year ended December 31, 2024 as well as Canfor Pulp's other public filings, available at www.sedarplus.ca and at www.canfor.com.

The forward-looking statements contained in this material change report describe Canfor Pulp's expectations at the date of this report and, accordingly, are subject to change after such date. Except as may be required by applicable Canadian securities laws, Canfor Pulp does not undertake any obligation to update or revise any forward-looking statements contained in this material change report, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements.