

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

GreenFirst Forest Products Inc. (“GreenFirst”)
401 The West Mall
Suite 1000
Toronto, Ontario
M9C 5J5

Item 2: Date of Material Change

December 21, 2022

Item 3: News Release

A news release with respect to the material change referred to in this report was disseminated by Businesswire on December 21, 2022. The news release is available on GreenFirst’s profile at www.sedar.com.

Item 4: Summary of Material Change

On December 21, 2022 GreenFirst announced it had entered into a definitive agreement to sell its La Sarre and Béarn sawmills and its Abitibi and Témiscamingue forestry operations, as well as their related assets and business operations to Chantiers Chibougamau Ltée for approximately \$90 million in cash payable at closing, including approximately \$40 million for specific working capital items (subject to customary closing adjustments).

Item 5: Full Description of Material Change

5.1 – Full Description of Material Change

On December 21, 2022 GreenFirst announced that it had entered into a definitive agreement to sell its La Sarre and Béarn sawmills and its Abitibi and Témiscamingue forestry operations, as well as their related assets and business operations (the “Quebec Assets”) to Chantiers Chibougamau Ltée (“Chantiers Chibougamau”), a long-standing Quebec-based and family-controlled forestry company, for approximately \$90 million in cash payable at closing, including approximately \$40 million for specific working capital items (subject to customary closing adjustments). Quebec-based employees are expected to continue to be employed by Chantiers Chibougamau post-closing.

GreenFirst expects to use the net proceeds from the sale to strengthen its balance sheet and continue investing in its Ontario operations. The sale of the Quebec Assets is expected to close in Q1 2023.

The sale has been unanimously approved by GreenFirst’s Board of Directors and is subject to customary closing conditions, including receipt of applicable regulatory approvals and Competition Act approval. The sale is not subject to any financing conditions. Under applicable corporate law, Chantiers Chibougamau has all approvals to conclude the transaction.

For further information, see news release attached as Schedule “A” hereto.

5.2 – Disclosure of 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

For further information please contact:

Alfred Colas
Chief Financial Officer
(416) 775-2800

Item 9: Date of Report

December 28, 2022

SCHEDULE "A"

See attached.



GreenFirst Signs Definitive Agreement to Sell Two Sawmills for Approximately \$90M

- Sale of GreenFirst’s two Quebec sawmills, which have a combined annual capacity of 245MMfbm, and related Abitibi and Témiscamingue forestry operations
- Strategic transaction to unlock significant shareholder value
- GreenFirst expects to use the net proceeds from the divestiture to strengthen its balance sheet and continue investing in its Ontario operations
- Sale expected to close in Q1 2023

Toronto, ON – December 21, 2022 – GreenFirst Forest Products Inc. (TSX: GFP) (“**GreenFirst**”) is pleased to announce that it has entered into a definitive agreement to sell its La Sarre and Béarn sawmills and its Abitibi and Témiscamingue forestry operations, as well as their related assets and business operations (the “**Quebec Assets**”) to Chantiers Chibougamau Ltée (“**Chantiers Chibougamau**”), a long-standing Quebec-based and family-controlled forestry company, for approximately \$90 million in cash payable at closing, including approximately \$40 million for specific working capital items (subject to customary closing adjustments). Quebec-based employees are expected to continue to be employed by Chantiers Chibougamau post-closing.

GreenFirst expects to use the net proceeds from the sale to strengthen its balance sheet and continue investing in its Ontario operations. The sale of the Quebec Assets is expected to close in Q1 2023.

The sale has been unanimously approved by GreenFirst’s Board of Directors and is subject to customary closing conditions, including receipt of applicable regulatory approvals and Competition Act approval. The sale is not subject to any financing conditions. Under applicable corporate law, Chantiers Chibougamau has all approvals to conclude the transaction.

“This divestiture represents a unique opportunity to unlock shareholder value and concentrate on our operations in Ontario, where we will continue to focus and invest. We thank all of our dedicated Québec-based employees for their longstanding effort and support. We are committed to ensuring a smooth transition to the family-based Chantiers Chibougamau. This transaction is a win-win for both Chantiers Chibougamau and GreenFirst as it strengthens the alignment of each company’s primary focus and growth strategies.” said Paul Rivett, Chairman of GreenFirst.

BMO Bank of Montreal is acting as exclusive financial advisor to GreenFirst.

About GreenFirst

GreenFirst Forest Products is a forest-first business, focused on sustainable forest management and lumber production. Post-closing the Company will own 5 sawmills and 1 paper mill in Ontario and will remain a leading lumber producer in Canada having an annual lumber production capacity of 660MMfbm. GreenFirst’s mills are located in rich wood baskets proudly operating over 6.1 million hectares of FSC®



certified public Canadian forestlands (FSC®-C167905). The Company believes that responsible forest practices, coupled with the long-term green advantage of lumber, provide GreenFirst with significant cyclical and secular advantages in building products. GreenFirst's long-term vision is to be a leader in the global forestry industry.

About Chantiers Chibougamau

Chantiers Chibougamau, a family business, has been manufacturing and marketing highly competitive forestry products since 1961. More than 1150 people work at Chantiers Chibougamau, making it the largest employer in the municipalities of Chibougamau and Lebel-sur-Quévillon (Nordic Kraft), and consequently in the entire Northern Quebec region. The company also plays a similar role in Landrienne, near Amos, with Scierie Landrienne, and has a design and project management office, Nordic Structures, in Montreal. In addition to kraft pulp, lumber and renewable energy, Nordic Structures' engineered wood products have an important place in the North American market.

Forward Looking Information

Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact are forward-looking statements. Forward looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend", "estimate" or the negative of these terms and similar expressions. Forward-looking statements are based on certain assumptions and, while GreenFirst considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. In addition, forward-looking statements necessarily involve known and unknown risks, including those set out in GreenFirst's public disclosure record filed under its profile on www.sedar.com. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect our expectations as of the date hereof, and thus are subject to change thereafter. GreenFirst disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

For more information, please visit: www.greenfirst.ca or contact Investor Relations (416) 775 2821