



CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

Conifex Debunks Grounds on which Moratorium on Cryptocurrency Mining Projects was imposed by Government of British Columbia

Conifex submits comprehensive response to flawed public consultation process

August 15, 2023, Vancouver, British Columbia - Conifex Timber Inc. ("**Conifex**") (TSX: CFF) today released a White Paper that outlines the several ways in which the B.C. Government's recent moratorium on cryptocurrency mining projects contravenes the law, interferes with the regulatory system, and in fact works against the government's own stated economic, carbon mitigation and reconciliation goals.

The White Paper concludes that the moratorium instituted by the provincial government in December 2022 on new cryptocurrency mining projects gaining access to electricity in B.C. imposes heavy costs on residents of BC, including:

- Restrictions on value-added development opportunities in rural and hard-hit forest communities.
- Foregone Indigenous reconciliation opportunities.
- A chill on investment in BC, reflecting the risk of future arbitrary government policy actions.
- A general loss of economic efficiency and a stifling of innovation and employment.
- An undermining of regulatory integrity and independence.

"By taking a narrow view of next-generation data centres as simply cryptocurrency mining ventures, the moratorium also effectively prevents British Columbia from participating in the rapidly evolving digital payment system technology boom now underway," stated Ken Shields, Conifex's Chair and Chief Executive Officer. "The moratorium limits the ability for developers and operators of advanced computing technologies, that all of us will increasingly rely on in our daily lives, from locating in our home province."

The White Paper is included as part of Conifex's submission to the provincial government's "consultation process" currently underway on the future of the high performance computing (HPC) industry in B.C. It also responds to several misleading claims in BC Hydro's "Crypto Conundrum" report, used by the Province as primary justification for the moratorium. The White Paper concludes that, by imposing the moratorium, the government has ignored the fundamental principle of obligation to serve.

"The Government has used the power of office to disadvantage one particular class of customers, as well as the customers' employees. In doing so, the government has established a precedent for having the provincial cabinet pick economic winners and losers, which is not any government's job," concluded Mr. Shields.

Conifex currently has two actions against the Province and BC Hydro. Conifex has filed a petition in the Supreme Court of British Columbia seeking judicial review of the Lieutenant Governor In Council of British Columbia's Order In Council 692/2022 (the moratorium). Conifex has also filed a notice of civil claim against BC Hydro in the Supreme Court of British Columbia seeking an order requiring BC Hydro to supply service to Conifex's proposed HPC projects. The claim also seeks general damages against BC Hydro.

Link to the full White Paper can be found at www.conifex.com/community

For further information, please contact:

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About Conifex Timber Inc.

Conifex and its subsidiaries' primary business currently includes timber harvesting, reforestation, forest management, sawmilling logs into lumber and wood chips, and value added lumber finishing and distribution. Conifex's lumber products are sold in the United States, Canadian and Japanese markets. Conifex also produces bioenergy at its power generation facility at Mackenzie, BC.

Forward-Looking Statements

Certain statements in this news release may constitute "forward-looking statements". Forward-looking statements are statements that address or discuss activities, events or developments that Conifex expects or anticipates may occur in the future. When used in this news release, words such as "estimates", "expects", "plans", "anticipates", "projects", "will", "believes", "intends" "should", "could", "may" and other similar terminology are intended to identify such forward-looking statements. Forward-looking statements reflect the current expectations and beliefs of Conifex's management. Because forward-looking statements involve known and unknown risks, uncertainties and other factors, actual results, performance or achievements of Conifex or the industry may be materially different from those implied by such forward-looking statements. Examples of such forward-looking information that may be contained in this news release include, but are not limited to, statements regarding the impact of the OIC on HPC Projects, including the timing of the pause thereof, the outcome of litigation and Conifex's planned HPC business generally. Forward-looking statements involve significant uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, risk factors described in Conifex's annual information form for the year ended December 31, 2022 which is available on SEDAR at www.sedar.com. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should exercise caution in relying upon forward-looking statements and Conifex undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by law.