



CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

Conifex Announces 2022 Year-End and Fourth Quarter 2022 Results

March 8, 2023, Vancouver, B.C. - Conifex Timber Inc. (“Conifex”, “we” or “us”) (TSX: CFF) today reported results for the fourth quarter and year ended December 31, 2022. EBITDA* from continuing operations was \$2.3 million for the quarter and \$46.7 million for the year, compared to EBITDA of \$1.0 million in the fourth quarter of 2021 and \$51.8 million for the year. Net income was \$24.5 million or \$0.61 per share for the year versus net income in the preceding year of \$0.60 per share.

Selected Financial Highlights

The following table summarizes our selected financial information for the comparative periods. Unless otherwise noted, financial information reflects results of continuing operations from our Mackenzie sawmill and power plant.

Selected Financial Information⁽¹⁾

(in millions of dollars, except per share, share and selected operating information)	Q4 2022	Q3 2022	2022	Q4 2021	2021
Revenue					
Lumber – Conifex produced	22.1	35.5	176.6	34.5	180.2
Lumber – wholesale	1.6	3.8	16.1	14.7	36.9
By-products and other	2.8	7.9	25.2	2.7	9.9
Bioenergy	0.2	0.4	13.4	8.0	23.5
	26.7	47.7	231.3	59.9	250.5
Operating income (loss)	(8.5)	1.3	27.5	(3.0)	38.4
EBITDA from continuing operations ⁽²⁾	2.3	4.2	46.7	1.0	51.8
Net income (loss)	(0.2)	0.9	24.5	(2.5)	27.2
Basic and diluted earnings (loss) per share	-	0.02	0.61	(0.06)	0.60
Cash dividends per share⁽³⁾	-	0.20	0.20	-	-
Shares outstanding – weighted average (millions)	39.9	40.2	40.1	43.8	45.2
Reconciliation of EBITDA to net income (loss)					
Net income (loss) from continuing operations	(0.2)	0.9	24.5	(2.5)	27.2
Add: Finance costs	1.0	1.1	4.3	1.2	4.6
Amortization	1.4	1.8	8.4	3.1	10.8
Income tax expense (recovery)	0.1	0.4	9.5	(0.8)	9.2
EBITDA from continuing operations ⁽²⁾	2.3	4.2	46.7	1.0	51.8

* Conifex’s EBITDA calculation represents earnings before finance costs, taxes, depreciation and amortization. We disclose EBITDA as it is a measure used by analysts and by our management to evaluate our performance. As EBITDA is a non-GAAP measure that does not have any standardized meaning prescribed by International Financial Reporting Standards, it may not be comparable to EBITDA calculated by others and is not a substitute for net earnings or cash flows, and therefore readers should consider those measures in evaluating our performance.

Selected Operating Information

	Q4 2022	Q3 2022	2022	Q4 2021	2021
Production – WSPF lumber (MMfbm) ⁽⁴⁾	27.9	39.5	165.9	44.0	184.1
Shipments – WSPF lumber (MMfbm) ⁽⁴⁾	31.6	44.7	174.3	44.7	172.1
Shipments – wholesale lumber (MMfbm) ⁽⁴⁾	1.5	3.0	10.6	6.1	18.6
Electricity production (GWh)	-	1.2	109.7	54.9	184.6
Average exchange rate – \$/US\$ ⁽⁵⁾	0.736	0.766	0.768	0.794	0.798
Average WSPF 2x4 #2 & Btr lumber price (US\$) ⁽⁶⁾	\$402	\$568	\$771	\$739	\$872
Average WSPF 2x4 #2 & Btr lumber price (\$) ⁽⁷⁾	\$546	\$742	\$994	\$931	\$1,090

(1) Reflects results of continuing operations.

(2) Conifex's EBITDA calculation represents earnings before finance costs, taxes, depreciation and amortization.

(3) Cash dividends of \$0.20 per share were declared and paid on August 8, 2022 to shareholders of record as of July 15, 2022.

(4) MMfbm represents million board feet.

(5) Bank of Canada, www.bankofcanada.ca.

(6) Random Lengths Publications Inc.

(7) Average SPF 2x4 #2 & Btr lumber prices (US\$) divided by average exchange rate.

Summary of 2022 Results

Consolidated Net Earnings

During 2022, we generated net income of \$24.5 million or \$0.61 per share. Net income was \$27.2 million in 2021 or \$0.60 per share. While our power plant was not operational during the second half of 2022, we realized the benefit of expected business interruption insurance proceeds and a recovery of softwood lumber duties reflecting the difference between the cash deposit rates and the published final rates for lumber shipments to the United States in 2019 and 2020

Lumber Operations

Our lumber production was 165.9 million board feet in 2022, reflecting an annualized operating rate of 69%. Lumber production was impacted by a reduction in our operating schedule to a one-shift basis for a six-week period beginning in August to address unsustainable inventory levels due to rail transportation challenges. A further temporary curtailment for two weeks in October 2022 was necessitated by a combination of a steep decline in lumber prices on softer global market demand and government policies and practices impacting our operations. In 2021, our Mackenzie sawmill produced 184.1 million board feet of lumber for an annualized operating rate of 77%. Production in 2021 was impacted by extreme winter weather, COVID-19 related disruptions, and a temporary lumber production curtailment resulting from the combined impact of record high delivered log costs and a collapse in lumber prices following record pricing in the first half of 2021.

Shipments of Conifex produced lumber totaled 174.3 million board feet in 2022. Shipments of Conifex produced lumber increased marginally from 2021 as a result of improved transportation availability following weather-related rail and truck service disruptions that arose during the fourth quarter of 2021 and continued through the first half of 2022. Our wholesale lumber program shipped 10.6 million board feet in 2022 compared to 18.6 million board feet in 2021, representing a decrease of 43% as the global shortage of wood experienced in 2021 eased.

Revenues from lumber products were \$192.7 million in 2022 and represented a decrease of 11% from 2021. Lower revenues were driven by a reduction in wholesale activity and lower mill net realizations resulting from lower overall benchmark lumber prices in 2022, offset partially by a small increase in Conifex produced lumber shipment volumes.

The North American lumber market experienced significant price volatility in 2022. Market prices were elevated in the first half of 2022 to near-record levels before experiencing a steep slide in the second half driven by a slowdown in new home construction demand in the US due to higher mortgage rates and reduced affordability. US housing starts on a seasonally adjusted annual basis declined, averaging 6.2

million starts in 2022,¹ down 4% from 2021. The reduced housing demand resulted in a 9% decrease in the average Canadian dollar-denominated Western Spruce/Pine/Fir ("**WSPF**") lumber price, falling from \$1,090 in 2021 to \$994 in 2022.²

Cost of goods sold in 2022 were 6% lower than 2021 largely as a result of reduced wholesale lumber shipment volumes. Overall production costs in 2022 were largely unchanged from 2021 as reductions to log costs were offset by higher unit manufacturing costs. Unit manufacturing costs were elevated by low operating rates and disruptions from production curtailments which adversely impacted productivity and resulted in higher fixed cost absorption. We recorded an inventory valuation adjustment of \$2.2 million in 2022 as benchmark lumber prices declined substantially in the last quarter of 2022, whereas no inventory valuation adjustments were recorded in 2021.

We expensed countervailing ("**CV**") and anti-dumping ("**AD**") duty deposits of \$9.6 million in 2022, a decrease of 17% from 2021. The duty deposits were based on a combined rate of 8.99% until December 1, 2021, 17.91% until August 8, 2022 and 8.59% thereafter.

The following table reconciles cash deposits paid during the year to the amount recognized in our statement of net income and comprehensive income.

(in millions of dollars)	Q4 2022	Q3 2022	2022	Q4 2021	2021
Softwood lumber duty impact					
Cash deposits paid	1.1	2.1	15.3	2.5	11.6
Adjustment to final published rates	-	(5.7)	(5.7)	-	-
Softwood lumber duties, net	1.1	(3.6)	9.6	2.5	11.6

Cash deposits paid during 2022 increased compared to the previous year due to the combined effect of higher lumber shipment volumes and higher cash deposit rates in effect during the first eight months of 2022.

We recognized a recovery of \$5.7 million in 2022 pertaining to the difference between the cash deposit rates in effect at the time of shipment and the final published rates of 17.91% and 8.59%, respectively, for shipments made to the US market in the years ended December 31, 2019 and 2020. The net duty recoverable has been included as a long-term asset on our balance sheet.

Cumulative duties of US\$64.0 million paid by Conifex since inception of the current trade dispute remain held in trust by the US pending the conclusion of all appeals of US decisions. In 2019, we sold our right to refunds of cumulative duties to June 30, 2019 of US\$32.7 million for proceeds of US\$13.9 million. We have recorded the duty deposits as an expense, except for US\$4.3 million which are recorded as a long-term receivable.

Bioenergy Operations

Our Mackenzie power plant sold 109.7 gigawatt hours of electricity under our Electricity Purchase Agreement ("**EPA**") with British Columbia Hydro and Power Authority ("**BC Hydro**") in 2022, representing approximately 50% of targeted operating rates. In 2021, our power plant sold 184.6 gigawatt hours of electricity, representing 83% of targeted operating rates. The decrease in 2022 production was driven by the disruption caused by damage to the plant's turbine discovered in July 2022, which was successfully recommissioned after the period end on January 31, 2023. Production in 2021 was impacted, to a lesser extent, by damage to the plant's generator in December 2020, which was repaired in February 2021.

Due to the power plant being inoperable during the second half of 2022, electricity production contributed revenues of \$13.4 million in 2022, a decrease of 43% from 2021.

¹ Source: Forest Economic Advisors, LLC.

² Source: Random Lengths Publications Inc.

We have submitted an insurance claim for physical damage and for loss of revenues as a result of the turbine damage. We expect to be fully reimbursed for capital expenditures related to the repair of the turbine, subject to customary deductibles, and for lost income for the period the power plant was not operating after the customary waiting period. We recognized \$9.6 million as other income in our statement of net income and comprehensive income in 2022 to reflect the estimated insurance claim for lost income under our business interruption policy.

The insurance claim for lost income submitted in 2021 was settled and recognized as other income in our statement of net income and comprehensive income in 2021. The final portion of the insurance settlement for physical damage and business interruption was received in July 2022.

Our EPA with BC Hydro, similar to other electricity purchase agreements, provides BC Hydro with the option to "turn down" electricity purchased from us during periods of low demand by issuing a "dispatch order". BC Hydro issued a dispatch order for a period of 61 days commencing in May 2022. In 2021, our power plant was also dispatched for 61 days commencing in May. We continue to be paid revenues under the EPA based upon a reduced rate and on volumes that are generally reflective of contracted amounts. During any dispatch period, we continue to produce electricity to fulfill volume commitments under our Load Displacement Agreement with BC Hydro.

Selling, General and Administrative Costs

Selling, general and administrative ("**SG&A**") costs of \$11.0 million in 2022 reflected an increase of 10% from 2021. The year-over-year increase is primarily attributable to higher salary and wages to adequately support our operations, variable compensation costs, including non-cash equity-based compensation, and the vesting of long-term incentive awards.

Finance Costs and Accretion

Finance costs and accretion relate primarily to our term loan supporting our bioenergy operations (the "**Power Term Loan**"). Finance costs and accretion of \$4.3 million in 2022 were 6% lower than finance costs of \$4.6 million in 2021 as a result of scheduled repayments of the Power Term Loan during the year.

Gain or Loss on Derivative Financial Instruments

From time to time, we may enter into lumber future contracts to manage our commodity lumber price exposures. We do not use derivatives for trading or speculative purposes. Gains or losses on lumber derivative instruments are recognized as they are settled or as they are marked to market for each reporting period.

During 2022, we did not enter into any lumber futures contracts. In early 2021, we utilized lumber futures contracts for downside price protection on a small percentage of our estimated second and third quarter 2021 production. Due to lumber market conditions characterized by rapidly rising prices in the first half of 2021, we recorded a loss from lumber derivative instruments of \$1.6 million in 2021.

We had no outstanding futures contracts in place as at December 31, 2022.

Other Income

We recognized other income of \$9.6 million in 2022 and \$3.5 million in 2021 from our business interruption insurance claims related to the power plant.

Foreign Exchange Translation Gain or Loss

The foreign exchange translation gain or loss recorded for each period on our statement of net income results from the revaluation of US dollar-denominated cash and working capital balances to reflect the change in the value of the Canadian dollar relative to the value of the US dollar. US dollar-denominated monetary assets and liabilities are translated using the period end rate.

The US dollar averaged US\$0.768 for each Canadian dollar during 2022, a level which represented a weakening of the Canadian dollar over the previous year.³

The foreign exchange translation impacts arising from the variability in exchange rates at each measurement period on cash and working capital balances resulted in a foreign exchange translation gain of \$1.2 million in 2022, compared to a foreign exchange gain of \$0.6 million in 2021.

Income Tax

We recorded income tax expense in 2022 of \$9.5 million, compared to income tax expense of \$9.2 million in 2021. Our effective tax rate was 28% in the current year and 25% in 2021. See note 20 of our consolidated financial statements for the years ended December 31, 2022 and 2021 for a reconciliation of income taxes calculated at the statutory rate to the income tax expense.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities on our balance sheet and the amounts used for income tax purposes. As at December 31, 2022, we have recognized a deferred income tax liability of \$8.9 million.

Summary of Fourth Quarter 2022 Results

Consolidated Net Earnings

During the fourth quarter of 2022, we incurred a net loss from continuing operations of \$0.2 million or nil per share compared to net income of \$0.9 million or \$0.02 per share in the previous quarter and net loss of \$2.5 million or \$0.06 per share in the fourth quarter of 2021. The net loss in the fourth quarter was primarily the result of lower lumber production and shipment volumes, largely offset by the recognition of our expected business interruption insurance claim for the loss of earnings from our power plant.

Lumber Operations

North American lumber market prices continued their decline in the fourth quarter of 2022. Canadian dollar-denominated benchmark WSPF prices, which averaged \$546 in the fourth quarter, decreased by 26% or \$196 from the previous quarter and by 41% or \$385 from the fourth quarter of 2021.⁴ The market price slide was fueled by the reduction in new home construction activity in the US, elevated offshore lumber import levels to US markets, and inflationary pressures negatively impacting repair and remodeling activities. US housing starts on a seasonally adjusted annual basis averaged 1,368,000 in the fourth quarter of 2022, down 6% from the previous quarter and 19% from the fourth quarter of 2021.⁵

We produced 27.9 million board feet of lumber in the fourth quarter of 2022, representing approximately 47% of annualized capacity. Lumber production was affected by a two-week curtailment of our Mackenzie sawmill in the period and overall depressed operating rates. In the previous quarter, lumber production totaled 39.5 million board feet on a reduced production schedule to one-shift over 6 weeks beginning in August 2022. Lumber production of 44.0 million board feet or approximately 73% of operating capacity in the fourth quarter of 2021 was impacted by COVID-19 shift reductions and severe winter weather in December 2021.

Shipments of Conifex produced lumber totaled 31.6 million board feet in the fourth quarter of 2022, representing a decrease of 29% from the 44.7 million board feet of lumber shipped in the previous quarter and the fourth quarter of 2021. Lumber shipments were constrained by weak lumber production and the temporary curtailment of our Mackenzie sawmill during the quarter. Our wholesale lumber program shipped 1.5 million board feet in the fourth quarter of 2022, representing a 50% decrease from the 3.0 million board feet shipped in the third quarter of 2022 and a 75% decrease from the 6.1 million board feet shipped in the fourth quarter of 2021. Wholesale lumber shipments were negatively impacted by a slowdown in construction activity in Asia.

³ Source: Bank of Canada, www.bankofcanada.ca.

⁴ Source: Random Lengths Publications Inc.

⁵ Source: Forest Economic Advisors, LLC.

Revenues from lumber products were \$23.7 million in the fourth quarter of 2022 representing a decline of 40% from the previous quarter and 52% from the fourth quarter of 2021. Compared to the previous quarter and comparative quarter in 2021, decreased revenues in the current quarter were driven by lower shipment volumes, combined with a reduction in mill net realizations. The revenue decrease in the current quarter over the same period in the prior year was also driven by the result of the higher proportion of premium grade lumber and wholesale inventory volumes shipped and sold in 2021 compared to 2022.

Cost of goods sold in the fourth quarter of 2022 decreased by 31% from the previous quarter and 46% from the fourth quarter of 2021. The decrease from the prior quarter was mainly due to lower shipment volumes in the current quarter. However, unit log and manufacturing costs also increased in comparison to the previous quarter as a result of production challenges, mechanical issues, higher fixed cost absorption and inventory write-downs of \$2.2 million. We recorded inventory valuation reserves in the fourth quarter of 2022 as a result of the decline in lumber pricing at the end of the year which adversely impacted cost of goods sold.

Our investment in capital expenditures related to our lumber operations in 2022 increased substantially from 2021. The implementation of these improvements adversely affected production in the fourth quarter as certain improvements to our sawmilling and finishing lines necessitated longer periods of inactivity to complete. The effect of tying in improvements and optimization adjustments contributed to increased manufacturing costs and lower production in the last quarter of 2022.

We recorded CV and AD duty deposits expense of \$1.1 million in the fourth quarter of 2022, a recovery of \$3.6 million in the previous quarter and expense of \$2.5 million in the fourth quarter of 2021. Cash deposits paid during the fourth quarter of 2022 decreased compared to the previous quarter and comparative quarter in 2021 due to lower lumber shipment volumes and average lumber prices, in addition to overall reduced cash deposit rates in effect at the time of shipment as a result of the issuance of the final rate determinations by the US Department of Commerce on shipments made in 2020.

Bioenergy Operations

Our power plant did not operate during the fourth quarter of 2022 as a result of the turbine damage discovered in July 2022. The power plant sold 1.2 and 54.9 gigawatt hours of electricity in the previous quarter and fourth quarter of 2021, respectively.

Due to the power plant being inoperable during the quarter, electricity production contributed revenues of \$0.2 million in the fourth quarter of 2022, a decrease of 64% from the previous quarter and 98% from the fourth quarter of 2021.

Selling, General and Administrative Costs

SG&A costs were \$1.4 million in the fourth quarter of 2022, \$3.2 million in the previous quarter and \$2.4 million in the fourth quarter of 2021. The reduction in SG&A costs compared to the previous quarter was largely due to the vesting of long-term incentive awards in the prior quarter. Reduced SG&A costs in the current quarter compared to the comparative quarter in the preceding year were primarily related to lower selling costs associated with the wholesale lumber program on lower shipment volumes.

Finance Costs and Accretion

Finance costs and accretion totaled \$1.0 million in the fourth quarter of 2022, \$1.1 million in the previous quarter and \$1.2 million in the fourth quarter of 2021. Finance costs in the current quarter were reduced compared to the fourth quarter of 2021 due to an overall lower outstanding debt balance in 2022.

Other Income

Other income totaled \$9.6 million in the fourth quarter of 2022, nil in the previous quarter and \$0.7 million in the fourth quarter of 2021. Other income primarily consists of the estimated business interruption claim proceeds in respect of the turbine failure during 2022 and the generator failure at the power plant in late 2020.

Foreign Exchange Translation Gain or Loss

The US dollar averaged US\$0.736 for each Canadian dollar during the fourth quarter of 2022, a level which represented a weakening of the Canadian dollar over the previous quarter and the fourth quarter of 2021.⁶

The foreign exchange translation impacts arising from the variability in exchange rates at each measurement period on cash and working capital balances resulted in a foreign exchange translation loss of \$0.2 million in the fourth quarter of 2022, compared to a foreign exchange gain of \$1.1 million in the third quarter of 2022 and \$0.1 million in the fourth quarter of 2021.

Income Tax

The fourth quarter 2022 results include a current tax recovery of \$0.8 million, compared to a recovery of \$0.7 million in the previous quarter and nil in the fourth quarter of 2021. We recorded deferred income tax expense of \$0.9 million in the fourth quarter of 2022, \$1.1 million in the previous quarter and deferred income tax recovery of \$0.8 million in the fourth quarter of 2021.

Financial Position and Liquidity

Overall debt was \$62.8 million at December 31, 2022 compared to \$59.4 million at December 31, 2021, with the change mainly driven by a \$6.5 million draw against our secured revolving credit facility with Wells Fargo Finance Corporation Canada (the “**Revolving Credit Facility**”) in the fourth quarter of 2022 to bolster operating working capital. The increase in debt was partially offset by Power Term Loan repayments of \$3.5 million during the year. Our Power Term Loan, which is largely non-recourse to our lumber operations, represents substantially all of our outstanding long-term debt. At December 31, 2022, we had \$53.8 million outstanding on our Power Term Loan, while our remaining long-term debt, consisting of leases, totalled \$2.5 million.

At December 31, 2022, we had total liquidity of \$16.9 million, compared to \$16.4 million at December 31, 2021. Liquidity at December 31, 2022 was comprised of unrestricted cash of \$8.4 million and unused availability of \$8.5 million under the Revolving Credit Facility. The change in 2022 compared to the prior year was due primarily to increased investment in non-cash working capital driven by higher log inventory levels.

Like other Canadian lumber producers, we were required to begin depositing cash on account of softwood lumber duties imposed by the United States government in April 2017. Cumulative duties of US\$31.3 million paid by Conifex, net of certain prior sales of such refunds, since the inception of the current trade dispute remain held in trust by the US pending the administrative reviews and conclusion of all appeals of US decisions. We expect future cash flow will continue to be adversely impacted by the CV and AD duty deposits to the extent additional costs on US destined shipments are not mitigated by higher lumber prices.

Outlook

We expect lumber markets to continue to experience volatility through 2023 as global market conditions continue to evolve. The effect of inflationary pressures and higher interest rates affecting consumer spending in the housing and repairs and remodeling markets will result in weaker lumber market prices than seen in recent years. While US builder confidence has seen an uptick in recent weeks, lagging US housing completions and tempered repair and remodeling activity affect market demand for lumber products.

At our Mackenzie sawmill, we expect to see an increase in lumber production over 2022, with the expectation of achieving annualized operating rates of approximately 85% in 2023 on improved sawmill operating rates. We anticipate an improvement in operating costs in 2023 as a result of decreased unit fixed costs on higher lumber production volumes and availability of sufficient logs for continuous operations at our sawmill. We are optimistic that we will realize a higher volume of lumber shipments in 2023 as

⁶ Source: Bank of Canada, www.bankofcanada.ca.

transportation issues are not anticipated to be as severe or persist as long as the challenges faced in 2022. While we are unable to estimate when full transportation services will resume, we continue to utilize alternative transportation routes and methods to the extent they are available to continue shipments to our customers.

Our power plant is forecasted to generate a steady and diversified source of cash flow throughout 2023 following its restart on January 31, 2023. Our power plant has achieved uptime of approximately 98% during the period of operations following restart and we expect to average uptime in excess of 90% for the remainder of 2023. We anticipate that BC Hydro may not exercise its turn down option in 2023 based on anticipated energy requirements and expect that our power plant will largely be generating electricity continuously through 2023.

We anticipate our financial position to remain strong throughout 2023 as we maintain high levels of working capital. While inventory levels in the beginning months of 2023 have been impacted by rail transport challenges, we anticipate operating cash flow levels and available liquidity will strengthen as we progress through the year and will support our expected capital spending estimates. We continue to prioritize funding quick payback sawmill upgrades and exploring the potential development of our high-performance computing (“HPC”) business.

Revenue Diversification Opportunity

We completed hosting a 3 megawatt trial of our HPC hosting operations in September 2022. We gained valuable first-hand experience which validated our belief that our power and corporate service teams have the expertise required to successfully develop and operate sites serving HPC customers.

On December 21, 2022, the Lieutenant-Governor in Council for the Province of British Columbia issued an order in council directing the British Columbia Utilities Commission to, among other things, accept BC Hydro's request to suspend its obligation to supply service to certain new cryptocurrency mining projects in British Columbia for a period of 18 months. We continue to evaluate the impact of the order in council on our potential hosting service business.

We have identified a new customer for our 3 megawatt site and expect to commence hosting the new customer in or about the first quarter of 2023. We are continuing to investigate the feasibility of scaling up our HPC hosting operations.

There is no assurance that we will establish a data center hosting business.

Conference Call

We have scheduled a conference call on Wednesday, March 8 at 2:00 PM Pacific time / 5:00 PM Eastern time to discuss the fourth quarter and 2022 financial and operating results. To participate in the call, please dial 416-340-2217 or toll free 1-800-806-5484 and entering participant passcode 2247124#. The call will also be available on instant replay access until April 7, 2023 by dialling 905-694-9451 or 1-800-408-3053 and entering participant passcode 4261648#.

Our management's discussion and analysis and financial statements for the year ended December 31, 2022 are available under our profile on SEDAR.

For further information, please contact:

Winnie Tang
Chief Financial Officer
(604) 216-2949

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 statements regarding: the realization of expected benefits of completed, current and any contemplated capital projects and the expected timing and budgets for such projects, including the build-out of any high-performance computing or data center operations; the growth and future prospects of our business; our expectations regarding our results of operations and performance; our planned operating format and expected operating rates; our perception of the industries or markets in which we operate and anticipated trends in such markets and in the countries in which we do business; our ability to supply our manufacturing operations with wood fibre and our expected cost for wood fibre; our expectation for market volatility associated with, among other things, the softwood lumber dispute with the United States of America; that we could be negatively impacted by the duties or other protective measures on our products, such as antidumping duties or countervailing duties on softwood lumber; continued positive relations with Indigenous groups; the development of a longer-term capital plan and the expected benefits therefrom; demand and prices for our products; our ability to develop new revenue streams; our ability to receive full reimbursement of losses suffered from the disruption of operations at our Mackenzie power plant; the availability and use of credit facilities or proceeds therefrom; future capital expenditures; expectations regarding our liquidity levels; and our expectations for U.S. dollar benchmark prices. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements may include, but are not limited to, our future debt levels; that we will complete our projects in the expected timeframes and as budgeted; that we will effectively market our products; that capital expenditure levels will be consistent with those estimated by our management; that the US housing market will continue to improve; our ability to ship our products in a timely manner; that there will be no additional unforeseen disruptions affecting the operation of our power generation plant and that we will be able to continue to deliver power therefrom; our ability to obtain financing on acceptable terms, or at all; that interest and foreign exchange rates will not vary materially from current levels; the general health of the capital markets and the lumber industry; and the general stability of the economic environments within the countries in which we operate or do business. 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, without limitation: those relating to potential disruptions to production and delivery, including as a result of equipment failures, labour issues, the complex integration of processes and equipment and other similar factors; labour relations; our ability to obtain and maintain required governmental and community approvals; the impact of changing government regulations and shifting political climates; failure to meet regulatory requirements; changes in the market; potential downturns in economic conditions; fluctuations in the price and supply of required materials, including log costs; fluctuations in the market price for products sold; foreign exchange fluctuations; trade restrictions or import duties imposed by foreign governments; availability of financing (as necessary); and other risk factors detailed in our filings with the Canadian Securities Regulatory Authorities 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.