



CONIFEX TIMBER INC.

NEWS RELEASE: via GLOBENEWSWIRE

FOR IMMEDIATE RELEASE

Conifex Announces Secured Term Loan

June 12, 2024, Vancouver, B.C. - Conifex Timber Inc. ("Conifex") (TSX: CFF) announced today that it has completed a \$25 million secured term loan (the "Term Loan") with PenderFund Capital Management Ltd. ("Pender"), an independent investment firm located in Vancouver, British Columbia. A portion of the Term Loan was utilized to repay and retire Conifex's existing lumber segment credit facility with Wells Fargo Capital Finance Corporation Canada in the amount of approximately \$11 million. The balance of the Term Loan will be available for working capital and general corporate purposes.

"On behalf of the entire Conifex team, we are delighted with the show of support PenderFund provided. They studied our business structure and objectives and provided us a tailored financing solution that provides our management team significant flexibility to strengthen our operations in Mackenzie and paves the way for improved operating results," commented Ken Shields, Conifex CEO and Chairman.

"We understand that British Columbia's forestry sector is currently facing challenges on several fronts, however we are optimistic about the long-term value of Conifex's business. Amongst other strengths, Conifex enjoys excellent access to timber supply and possesses an important diversifying income stream from its power generation assets," said Geoff Castle, Lead Portfolio Manager, Fixed Income at PenderFund.

The Term Loan has a term of 5 years, bears interest of 14% per annum and is substantially secured by Conifex's lumber segment assets. Conifex has also agreed to issue 3.6 million common share purchase warrants to Pender having a 5 year term. Each warrant is exercisable into one common share for \$0.75. Pursuant to applicable securities laws, the warrants are subject to a hold period of four months and one day from issuance.

Having completed the Term Loan, Conifex is now evaluating opportunities to secure a working capital facility to further help ensure sufficient liquidity to sustain operations through a period of below normal lumber prices. Across its lumber and power operations, Conifex's total long-term debt, including the PenderFund Term Loan is approximately \$75.3 million having a weighted average interest rate of 9.29%.

Conifex also announced today that it expects to hold its annual shareholders' meeting in or around the third quarter of 2024. While Conifex typically holds its annual shareholder meeting in summer, Conifex considered a later meeting was necessary while it focused on completing the Term Loan and continues to focus on evaluating a working capital facility and other business opportunities.

Conifex was advised by Raymond James Ltd.

For further information, please contact:

Trevor Pruden
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 purposes for which the Term Loan may be used, the expected date of the AGM, and the ability of Conifex to enter into a working capital facility. Assumptions underlying Conifex's expectations regarding forward-looking information contained in this news release include, among others, that Conifex will successfully negotiate and execute definitive documentation and complete a working capital facility. 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, that Conifex will obtain all expected benefits from the Term Loan; and other risk factors detailed in our filings with the Canadian Securities Regulatory Authorities available on SEDAR+ at www.sedarplus.ca. 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.