



CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR RELEASE: February 16, 2017

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CONIFEX ANNOUNCES \$8.1 MILLION BOUGHT DEAL OFFERING AND \$4.9 MILLION CONCURRENT PRIVATE PLACEMENT

Vancouver, British Columbia, February 16, 2017 – Conifex Timber Inc. (“Conifex” or the “Company”) (TSX: CFF) today announced that it has entered into an agreement with a syndicate of investment dealers led by Raymond James Ltd. (“Raymond James”) and including CIBC World Markets Inc. (collectively, the “Underwriters”) to purchase, on a bought deal basis, 2,662,295 common shares (“Common Shares”) of the Company at a price (the “Issue Price”) of \$3.05 per share for aggregate gross proceeds of \$8,120,000 (the “Offering”). The Underwriters will have the option, exercisable at any time for a period of 30 days following the closing date of the Offering (the “Over-Allotment Option”), to acquire up to an additional 399,344 Common Shares on the same terms and conditions for additional gross proceeds of up to \$1,218,000.

In addition, the Company will complete a private placement (the “Private Placement”) of 1,600,000 Common Shares to an existing shareholder at the Issue Price for aggregate gross proceeds of \$4,880,000.

Assuming no exercise of the Over-Allotment Option, the Offering and the Private Placement will result in gross proceeds of \$13,000,000. If the Over-Allotment Option is exercised in full, the Offering and the Private Placement will result in gross proceeds of \$14,218,000.

The Company intends to use net proceeds of the Offering and the Private Placement to partially

repay outstanding indebtedness, which may then be redrawn, as required, and used to fund expenditures related to the development of the El Dorado sawmill project and for general corporate purposes.

Closing of the Offering is expected to occur on or about March 8, 2017, with the Private Placement closing on the first business day following the closing of the Offering. Closing of the Offering is conditional on the subscription proceeds and all closing documents in respect of the Private Placement having been irrevocably delivered into escrow with the Company's counsel on terms and conditions satisfactory to the Underwriters. Closing is also subject to the receipt of all regulatory and stock exchange approvals, including the approval of the Toronto Stock Exchange (the "TSX").

The Common Shares shall be distributed by way of a short form prospectus in all provinces of Canada other than Quebec pursuant to and in compliance with National Instrument 44-101 *Short Form Prospectus Distribution*, and may be distributed in the United States to qualified institutional buyers pursuant to Rule 144(a) under the *United States Securities Act of 1933*, as amended, and such other jurisdictions as may be agreed to by Conifex on a private placement basis, such consent not to be unreasonably withheld or delayed.

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, Chinese, Canadian and Japanese markets. Conifex has expanded its operations to include bioenergy production following the commencement of commercial operations of its power generation facility at Mackenzie, British Columbia.

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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 the Company expects or anticipates may occur in the future, including without limitation the completion of the Offering and Private Placement and the use of the proceeds of the Offering and Private Placement. Forward-looking statements reflect the current expectations and beliefs of the Company’s management. Because forward-looking statements involve known and unknown risks, uncertainties and other factors, actual results, performance or achievements of the Company or industry may be materially different from those implied by such forward-looking statements. 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 factors; labour relations; 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); shipping or logging disruptions; and other risk factors described in the Company’s 2015 annual information form, 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 the Company undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by law.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.