



**CONIFEX TIMBER INC.**

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**Conifex Announces Offering of Subscription Receipts and Filing of Preliminary Short Form Prospectus**

May 25, 2018, Vancouver, B.C. - Conifex Timber Inc. ("**Conifex**" or the "**Corporation**") (TSX: CFF) is pleased to announce that it has filed a preliminary short form prospectus with applicable Canadian securities regulatory authorities with respect to a marketed offering of the Canadian dollar equivalent of approximately US\$50 – US\$55 million (the "**Offering**") of subscription receipts (the "**Subscription Receipts**") of the Corporation.

The net proceeds of the Offering are expected to be used to partially finance the previously announced acquisition (the "**Acquisition**") by Conifex, through its wholly owned subsidiary, of all of the outstanding membership interests of each of Caddo River Forest Products, LLC, Suwannee Lumber Holding Company, LLC and Suwannee Timber Management, LLC (the "**BW Group**"), which own and operate the Suwannee sawmill in Cross City, Florida and the Caddo River sawmill in Glenwood, Arkansas.

The underwriting syndicate for the Offering will be made through a syndicate of underwriters led by Raymond James Ltd. and will include CIBC Capital Markets and RBC Capital Markets.

Each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration or further action, one common share of the Corporation upon closing of the Acquisition.

The Corporation will apply to list the Subscription Receipts and the underlying common shares on the Toronto Stock Exchange. The Offering is expected to close in June 2018 and is subject to receipt of the prior approval of the Offering by the Toronto Stock Exchange and other customary closing conditions.

For further information regarding the Acquisition, please refer to the Corporation's news release dated May 15, 2018 and the preliminary short form prospectus in respect of the Offering, a copy of which is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Subscription Receipts will be offered in all provinces of Canada other than Quebec. Subject to applicable law and the provisions of the underwriting agreement to be entered into between the Corporation and the underwriters, the underwriters may offer the Subscription Receipts outside of Canada, including in the United States in reliance on applicable private placement exemptions under United States federal and state securities law.

This Offering is only made by short form prospectus. There will not be any sale of the securities being offered until a receipt for the final short form prospectus has been issued. The description of the Subscription Receipts set forth above is qualified in its entirety by the subscription receipt agreement and the summary thereof contained in the preliminary short form prospectus.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and accordingly, may not be offered or sold to, or for the account or benefit of, persons in the United States or to U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act), except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the Corporation's securities to, or for the account or benefit of, persons in the United States or U.S. Persons.

#### **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.

For further information, please contact:  
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#### **Forward-Looking Statements**

This press release contains forward looking statements with respect to Conifex and the proposed Acquisition and Offering, including statements regarding the expected use of proceeds of the Offering and the expected Offering and Acquisition closing dates. Although the Corporation believes that the expectations reflected in such forward looking statements are reasonable, such statements involve risks and uncertainties and are based on information currently available to the Corporation. Actual results may differ materially from those expressed or implied by such forward looking statements. Factors that could cause actual results or events to differ materially from current expectations, among other things, include risks related to receipt of shareholder and regulatory approvals and satisfaction of other conditions to closing the Acquisition and those related to the Corporation's ability to complete the Offering on acceptable terms or at all, and other factors discussed in materials filed with applicable securities regulatory authorities from time to time including matters discussed under "Risk Factors" in the Corporation's 2017 Annual Information Form and the preliminary short form prospectus referenced herein, copies of which are available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). These forward-looking statements are made as of the date hereof, and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.