



CONIFEX

CONIFEX TIMBER INC.

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Conifex Announces Closing of Subscription Receipt Offering

June 19, 2018, Vancouver, B.C. - Conifex Timber Inc. ("**Conifex**" or the "**Corporation**") (TSX: CFF) is pleased to announce that it has completed its previously announced offering (the "**Offering**") of subscription receipts (the "**Subscription Receipts**").

The Corporation issued 10,806,332 subscription receipts (the "**Subscription Receipts**") at a price of \$6.00 per Subscription Receipt for aggregate gross proceeds of approximately \$64.8 million, through a syndicate of underwriters led by Raymond James Ltd. and including CIBC Capital Markets and RBC Capital Markets (collectively, the "**Underwriters**"), including the partial exercise by the Underwriters of the over-allotment option for 56,332 Subscription Receipts.

Each Subscription Receipt entitles the holder thereof to receive, without payment of additional consideration or further action, one common share of the Corporation upon closing of 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, which own and operate the Suwannee sawmill in Cross City, Florida and the Caddo River sawmill in Glenwood, Arkansas. The net proceeds of the Offering will be used to partially finance the Acquisition.

The Subscription Receipts will commence trading today on the Toronto Stock Exchange under the symbol CFF.R.

The gross proceeds from the Offering, less one half of the Underwriters' fee with respect to the Subscription Receipts, will be held in escrow by the subscription receipt agent pending the completion of the Acquisition. If the Acquisition is completed on or before August 31, 2018 (the "**Outside Date**"), the escrowed funds and the interest earned thereon (less the remaining portion of the Underwriters' fee to be paid) will be released to the Corporation and each holder of a Subscription Receipt will receive, without any further action, one common share of the Corporation for each Subscription Receipt held.

If the closing of the Acquisition does not occur on or before the Outside Date, the securities purchase agreement entered into in connection with the Acquisition is terminated or the Corporation delivers notice to the subscription receipt agent and the Underwriters or formally announces to the public by way of press release that it does not intend to proceed with the Acquisition, holders of Subscription Receipts will be entitled to receive an amount equal to the full subscription price of each Subscription Receipt held, together with their *pro rata* portion of

the interest or other income, if any, earned on the escrowed funds and interest that would have been earned on the one half of the Underwriters' fee paid to the Underwriters as if such fee had been held in escrow as part of the escrowed funds from, and including, the date of this press release to, but excluding, the date of termination, as described above ("**Deemed Interest**"), less applicable withholding taxes. In that event, the Corporation has agreed to pay the subscription receipt agent an amount equal to one half of the Underwriters' fee (together with any Deemed Interest) with respect to the Subscription Receipts such that 100% of the gross proceeds of the Offering and any interest or other income earned on the escrowed funds (together with any Deemed Interest), less any applicable withholding taxes, would be returned to holders of Subscription Receipts.

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, the proposed Acquisition, including statements regarding completion of the Acquisition. 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 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 short form prospectus, copies of which are available under the Corporation's profile on SEDAR at 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.