



NEWS RELEASE: via GLOBENEWSWIRE

FOR IMMEDIATE RELEASE

Conifex Announces Agreement for Sale of U.S. Sawmill Business

December 24, 2019, Vancouver, BC - Conifex Timber Inc. ("**Conifex**") (TSX: CFF) today announced that it has entered into a share purchase agreement with an affiliate of Resolute Forest Products Inc. for the sale by Conifex of its US sawmill business, consisting of its El Dorado, Cross City and Glenwood sawmills and related operations. The purchase price, payable in cash, is US\$163 million plus net working capital at closing.

The net proceeds from the sale will be used by Conifex to repay in full its outstanding lumber segment credit facility and for working capital and general corporate purposes.

Ken Shields, Conifex's President and CEO, stated: "Successful completion of the transaction positions us to retire our entire lumber segment borrowings and strengthens our balance sheet. With greater financial stability, we will be focused on enhancing the performance of our lumber manufacturing and power generation businesses in Mackenzie, BC".

Mr. Shields added: "We are pleased that our U.S. employees will have the opportunity to become part of an organization that has demonstrated expertise in lumber manufacturing and an objective of growing the scope and scale of its lumber business in the U.S. South".

CIBC Capital Markets and Raymond James Ltd. acted as financial advisors to Conifex on the transaction. Sangra Moller LLP acted as legal advisor to Conifex.

Closing of the transaction is expected to occur in or about the first quarter of 2020 and is subject to customary closing conditions.

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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, 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 and include statements regarding the expected closing date of the transaction. 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 and its industry may be materially different from those implied by such forward-looking statements. 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 lumber price volatility, lumber market conditions, log costs, log quality and availability and other risks described in Conifex's 2018 AIF, 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.