



CORPORATE PRESENTATION



3rd Quarter, 2022

November 8, 2022



Cautionary Statement Regarding Forward-Looking Information

Certain statements in this presentation may constitute "forward-looking information" or "forward-looking statements" which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements implied by such forward-looking information. When used in this presentation, such information uses such words as "estimates", "expects", "plans", "anticipates", and other similar terminology. This information reflects the Company's current expectations regarding future developments, including the upgrading and operation of its converting facilities.

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Certain references are made to non-IFRS measures, such as EBITDA. Non-IFRS measures do not have a standardized meaning prescribed by IFRS and are therefore not comparable to similar measures presented by other companies.

Further information is available at www.conifex.com and www.sedar.com



- A public forestry company operating a sawmill complex and biomass power plant in Mackenzie, BC.
- As at September 30, 2022, we reported:
 - Unrestricted cash balances of \$21 million
 - An ABL facility with \$15 million of undrawn availability primarily supported by inventories and receivables
 - A net debt to capitalization ratio of approximately 17%, including limited recourse debt and leases
- Debt Structure:
 - Our net debt is entirely represented by a fixed-rate loan secured by our power generation assets and serviced from cash flow generated over the 13-years term remaining of the Energy Purchase Agreement with BC Hydro



Sawmill Complex



Power Plant



POWER GENERATION

- Capacity is in excess of 230 gigawatt hours (GWh) of electricity per year, of which 200 GWh is sold under a fixed price contract to BC Hydro and 30 GWh is for internal consumption.
- Electricity purchase agreement (EPA) and a related load displacement agreement (LDA) have been executed with BC Hydro expiring in April 2035.
- Representing a majority of our investment in fixed assets, has historically generated approximately \$14 million in annual EBITDA consuming sawmill and harvest residuals.
- Supported by feedstock delivered from the Mackenzie sawmill complex.



Power generation diversifies and stabilizes EBITDA.



LUMBER MANUFACTURING

- Operate a two-line sawmill complex equipped to handle large- and small-diameter logs with approximately 240 million board feet of lumber capacity on a two-shift annual basis.
- Our main products are spruce, pine, fir (SPF) dimension lumber ranging in size from 2x4 to 2x10 inches from 6 to 16 feet in length.
- A full range of grade outturns are achieved and marketed to the most suitable customer base. Our main markets, in descending order of importance are, the US, Canada and Japan.
- The vast majority of lumber is shipped by rail from Mackenzie; truck deliveries account for the remainder.

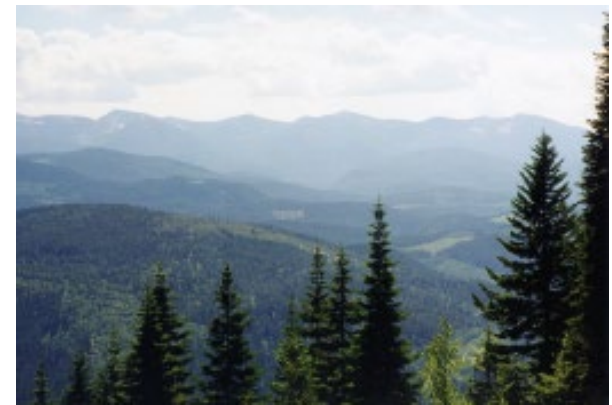


We deal with a broad cross-section of lumber customers.



FIBRE, RESIDUALS AND PEOPLE

- Our fibre sourcing includes access to a forest licence in the Mackenzie Timber Supply Area (TSA) with an allowable annual cut (AAC) of 632,500 cubic metres, and a 50% interest in a forest licence with an AAC of 300,000 cubic metres.
- Fibre is the single largest input cost and typically accounts for well over 50% of the cash cost of manufacturing lumber in the BC interior region. Our high degree of fibre self-sufficiency reduces our exposure to uncertainties in the market for purchased fibre.
- Our lumber manufacturing co-products include bark and planer shavings consumed in our power plant; wood chips sold to a pulp mill, and trim waste sold to a nearby secondary lumber manufacturer.
- We have approximately 224 employees in our lumber, corporate and marketing segments and 42 at our power plant for 266 in total.
- Five-year collective agreements are in place with our unionized employees at our sawmill complex and power plant, with expiry on June 30, 2023.



One of the highest degrees of timber self-sufficiency in BC.



MACKENZIE TIMBER SUPPLY AREA

- Fourth largest TSA in the province, sparsely populated, situated in northeast BC, covering 6.4 million hectares.
- The major tenure holders in the TSA are Canfor, BC Timber Sales, Conifex, and a company 50% owned by Conifex and Dunkley. Earlier in 2022, Canfor announced its intention to sell its tenure to two local First Nations.
- The largest body of water in the interior of BC – The Williston Reservoir – situated in the central portion of the TSA enables us to transport sawlogs to our Mackenzie sawmill complex using a boom and tow system in the summer and fall.
- The dominant factors influencing forest management and harvest activities in the TSA during the past decade have been the mountain pine and spruce beetle outbreaks.
- In 2014, the AAC in the TSA was uplifted by 50% to 4.5 million cubic metres per year from 3.0 million to facilitate expedited salvage of pine beetle damaged pine.
- Declining dead pine harvest combined with a spruce beetle outbreak prompted a partition amendment of the AAC in 2019 to re-focus harvest on all dead volume in the short-term while reserving green timber for harvest after the salvage uplift phase comes to an end.



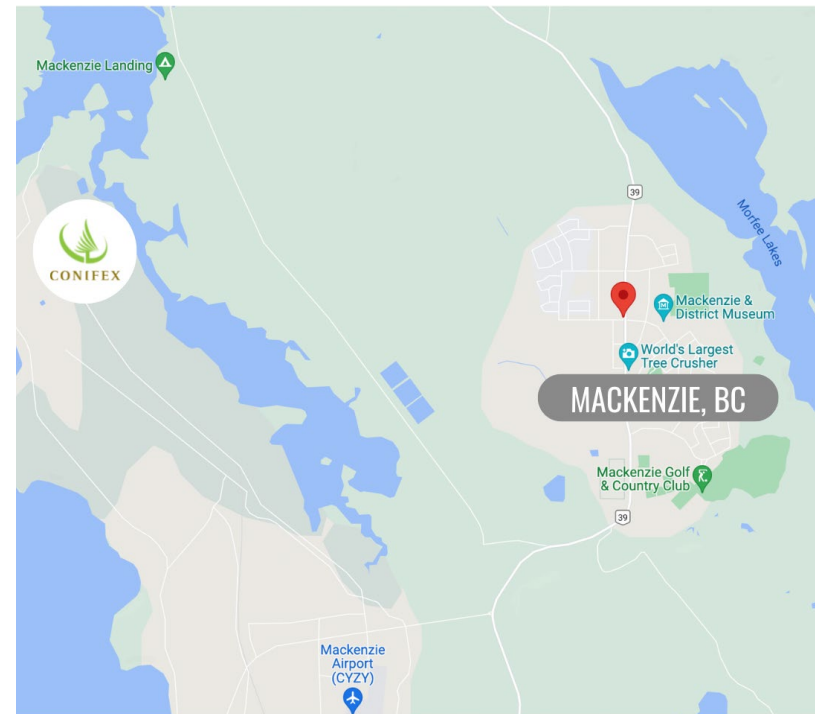
Williston Reservoir, BC



MACKENZIE TIMBER SUPPLY AREA

- A Timber Supply Review is underway, and the Chief Forester expects to release a new AAC determination late in 2022.
- We anticipate that the new AAC determination will continue to support sawlog harvest levels that greatly exceed local sawlog consumption.
- Most of the dead pine inventory in the TSA has lost commercial value and is no longer suitable for lumber production.
- Conifex expects to access a “greener” log diet in 2023 which will result in improved lumber recovery, lower cash conversion costs, and increases in lumber grade outturns and selling price realizations.
- In anticipation of these developments, Conifex has studies underway covering the potential for building and operating a new log merchandising facility.
- Conifex expects any projects that may be approved will be funded through a combination of cash balances, potential softwood lumber duty recoveries, and drawdowns of existing credit facilities.

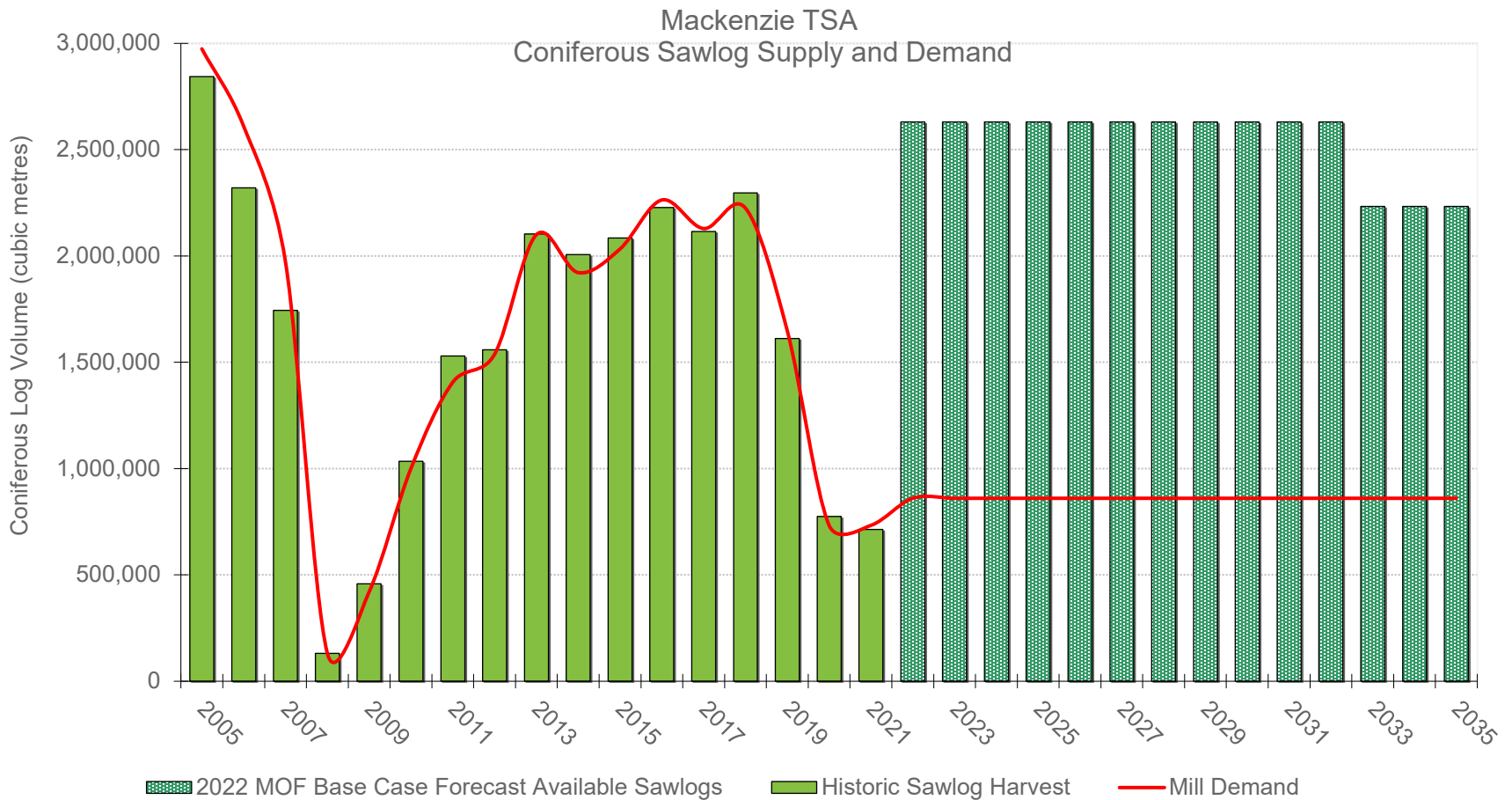
Mackenzie Area





MACKENZIE TIMBER SUPPLY AREA

In July 2022, the BC Ministry of Forests (MOF) released its Public Discussion Paper (PDP) which provides up-to-date information about fibre availability and quality in the Mackenzie TSA. The PDP base case harvest projections are not AAC recommendations.





- The federal government has prioritized climate action and Indigenous peoples reconciliation. The province of BC has similar priorities. Conifex is doing its part to help governments achieve their objectives.
- Since our inception as a public company, we have abided by our publicly disclosed long-term strategy “to build Canada's premier, next generation forestry company that is a world leader in responsibly maximizing fibre value.”
- Our near-term business strategy seeks to capitalize on our existing forestry assets, located in an abundant fibre supply region, to build margin-focused lumber and bioenergy businesses to compete successfully with the best the forest sector has to offer and pursue strategic opportunities to develop new revenue streams around our core business.

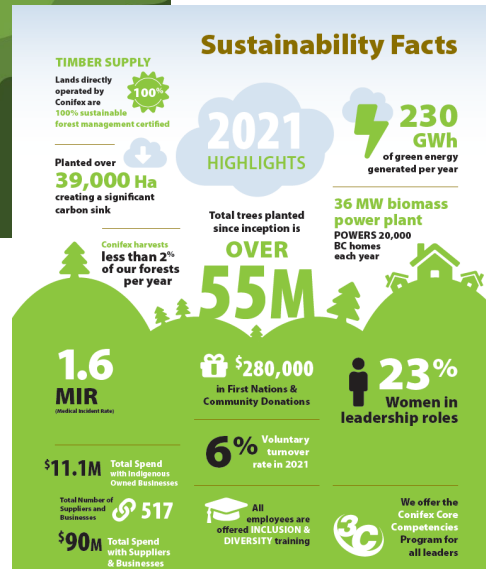


Mackenzie, BC

Our corporate strategy remains entirely consistent with the governments’ climate mitigation, Indigenous peoples reconciliation and economic recovery objectives.



ENVIRONMENTAL SOCIAL GOVERNANCE





SELECT OPERATING AND FINANCIAL INFORMATION

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Continuing operations for the comparative periods primarily comprise operating results from our Mackenzie sawmill and power plant, and corporate costs.

Selected Operating and Financial Information⁽¹⁾					
In millions of dollars, unless otherwise noted	Q3 2022	Q2 2022	YTD 2022	Q3 2021	YTD 2021
Production - WSPF lumber (MMfbm) ⁽²⁾	39.5	51.4	138.0	40.1	140.1
Shipments - WSPF lumber (MMfbm)	44.7	55.5	142.7	34.1	127.4
Shipments - wholesale lumber (MMfbm)	3.0	1.2	9.2	6.0	12.5
Electricity production (GWh)	1.2	54.6	109.7	53.7	129.6
Average exchange rate - US\$/ $\text{\$}$ ⁽³⁾	0.766	0.783	0.780	0.794	0.799
Average WSPF 2x4 #2 & Btr lumber price (US $\text{\$}$) ⁽⁴⁾	568	827	894	478	917
Average WSPF 2x4 #2 & Btr lumber price ($\text{\$}$) ⁽⁵⁾	742	1,056	1,143	602	1,144
Revenue					
Lumber - Conifex Produced	35.5	66.4	154.5	25.9	145.9
Lumber - Wholesale	3.8	2.3	14.5	12.5	22.1
By-Products and other	7.9	11.6	22.3	2.1	7.2
Bioenergy	0.4	4.8	13.2	7.1	15.5
Total Revenue	47.6	85.1	204.5	47.6	190.7
Operating Income	1.3	17.6	36.0	(0.7)	41.4
EBITDA ⁽⁶⁾	4.2	20.1	44.4	3.3	50.7

(1) Reflects results of continuing operations.

(2) MMfbm represents million board feet.

(3) Bank of Canada, w w w .bankofcanada.ca.

(4) Randon Lengths Publications Inc.

(5) Average SPF 2x4 #2 & Btr lumber prices (US $\text{\$}$) divided by average exchange rate.

(6) Conifex's EBITDA calculation represents earnings before finance costs, taxes, depreciation and amortization



SELECTED FINANCIAL POSITION INFORMATION

Selected Financial Position Information

In millions of dollars, unless otherwise noted	Q3 2022	Q4 2021	Q3 2021
Cash and Cash Equivalents	21.0	6.4	23.4
Cash - Restricted	7.5	6.5	6.6
Operating Working Capital ⁽¹⁾	39.2	39.1	35.5
Liquidity	36.0	16.4	33.4
Net Current Assets ⁽²⁾	62.9	47.4	60.9
Total Debt	57.8	59.4	60.8
Net debt to capitalization	17%	26%	18%
Net debt to capitalization excluding Power Term Loan	(12%)	(1%)	(14%)

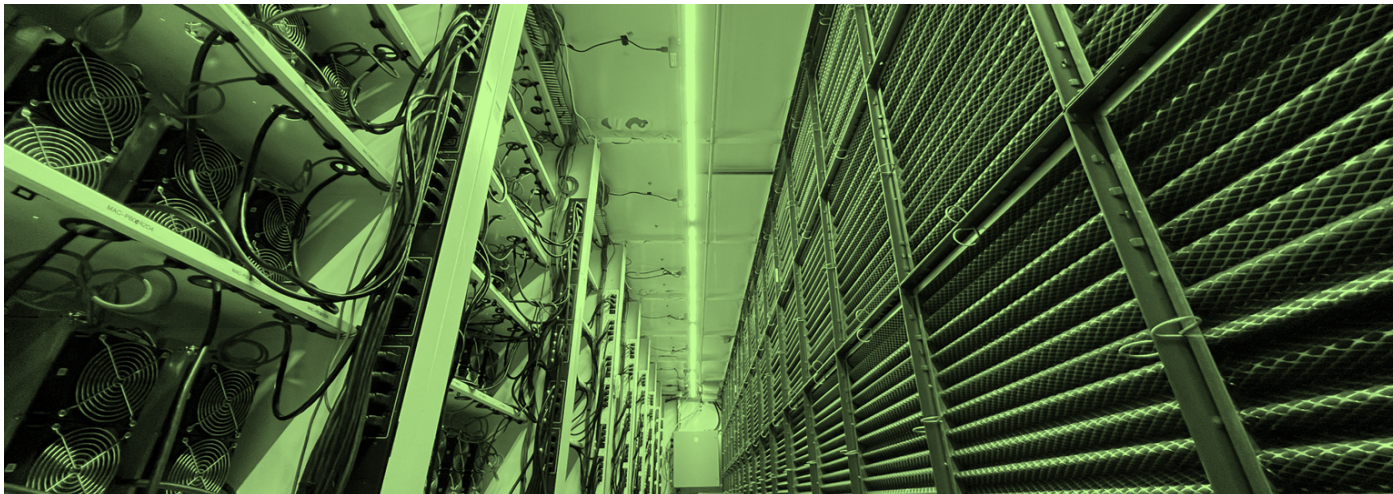
(1) Calculated as the aggregate of trade and other receivables, prepaid expenses and deposits and inventories less the aggregate of trade payables, accrued liabilities and other payables, the current portion of reforestation obligations and employee liabilities.

(2) Calculated as the aggregate of current assets less current liabilities.



HIGH PERFORMANCE COMPUTING

- Since 2021, we have been examining the feasibility of developing a business hosting data center or other high-performance computing (HPC) customers.
- We completed a 3 megawatt trial at the end of September 2022 and gained valuable experience hosting HPC operations under a variety of weather and operating conditions, validating our belief that we have the expertise required to successfully develop and operate sites serving HPC customers.
- We are pleased to announce we will be hosting a new customer, Greenidge Generation Holdings Inc., a NASDAQ listed public company with approximately 25,000 servers located at sites in New York State and South Carolina beginning around late November 2022 at our 3 megawatt site in Mackenzie.
- We are continuing to investigate the feasibility of building a hosting service business at potential sites in northern BC, with the opportunity of building the hosting business in phases utilizing cash flow generated from initial phases.





OUTLOOK FOR Q4 2022 AND 2023

- Outlook for Fourth Quarter 2022
 - Lumber shipments are anticipated to match sawmill production on improved rail car availability.
 - We anticipate fourth quarter results to be comparable to the results achieved in the third quarter with lumber prices holding steady at current levels and expected business interruption proceeds related to the disruption of our power operations.
- Outlook for 2023
 - We anticipate resumption of power production operations in or about January 2023.
 - We expect to maintain robust sawlog inventories through 2023 to support continuous operations at our sawmill.
 - We will continue to expand support infrastructure to access green stands in new operating areas.
 - We expect to realize the benefits of improved uptime performance and lumber recovery on key improvements made to our sawing and finishing lines in 2022.
 - We anticipate transitioning to a green log diet, combined with sawmill operational improvements will enable us to migrate to a lower and more enviable ranking on the lumber industry cost curve.



We anticipate achieving strong EBITDA for 2022.

CONIFEX LEADERSHIP TEAM

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