



CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

Conifex Files Claims Against Province of British Columbia and British Columbia Hydro and Power Authority

Seeks order quashing recent moratorium on cryptocurrency mining projects

Seeks order requiring BC Hydro to supply service to Conifex's proposed HPC Projects

April 12, 2023, Vancouver, British Columbia - Conifex Timber Inc. ("**Conifex**") (TSX: CFF) announced today that it has filed a petition in the Supreme Court of British Columbia seeking judicial review of the Lieutenant Governor In Council of British Columbia's (the "**LGIC**") recent Order In Council 692/2022 ("**OIC**"). The OIC directed the British Columbia Utilities Commission to issue orders relieving the British Columbia Hydro and Power Authority ("**BC Hydro**") of its obligation to supply service respecting cryptocurrency mining projects for a period of 18 months. Conifex alleges that the OIC exceeds the statutory powers granted to the LGIC under the *Utilities Commission Act*, is discriminatory and breaches statutory and common law restraints on the LGIC's delegated powers. Conifex is seeking an order quashing and setting aside the OIC as unauthorized or otherwise invalid.

As a result of the OIC, two of Conifex's proposed high performance computing projects (the "**HPC Projects**") have effectively been paused.

Conifex has concurrently filed a notice of civil claim against BC Hydro in the Supreme Court of British Columbia seeking an order requiring BC Hydro to supply service to the HPC Projects. The claim also seeks general damages against BC Hydro. The notice of civil claim alleges that BC Hydro's failure and refusal to supply service to the HPC Projects is in breach of BC Hydro's common law obligation to supply electricity and unfairly discriminates against Conifex *vis-a-vis* other commercial customers.

Ken Shields, Conifex's Chair and Chief Executive Officer, stated: "The OIC represents considerable government overreach. The Government is not entitled to disregard British Columbia law enacted by the legislative assembly acting on behalf of the people of British Columbia. The OIC was made without consulting the high-performance computing industry, First Nations or British Columbians at large. The OIC has not only harmed Conifex's business prospects, but limits opportunities for British Columbians to participate in emerging new technologies that create employment and economic opportunity in hard hit resource dependent communities."

Conifex has been working collaboratively with Tsay Key Dene Nation to develop and build high performance computing projects. Both Conifex and the Tsay Keh Dene remain committed to advancing their business of hosting high performance computers.

The OIC does not impact Conifex's previously announced 3-megawatt high performance computing project.

For further information, please contact:

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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, Canadian and Japanese markets. Conifex also produces bioenergy at 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. 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 or the industry may be materially different from those implied by such forward-looking statements. Examples of such forward-looking information that may be contained in this news release include, but are not limited to, statements regarding the impact of the OIC on HPC Projects, including the timing of the pause thereof, Conifex's planned HPC business generally, including its collaboration with the Tsay Key Dene. 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, risk factors described in Conifex's annual information from for the year ended December 31, 2022 which is 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.