



CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

Conifex Provides Corporate Update

June 13, 2024, Vancouver, British Columbia – Conifex Timber Inc. ("**Conifex**") today announced that it will appeal the ruling of the BC Supreme Court ("**BCSC**") upholding a government decision that prevented Conifex from diversifying its business operations and helping stabilize the interior BC forest sector.

Conifex, a forestry and independent power company operating in Mackenzie BC, had sought to develop High Performance Computing ("**HPC**") data centers in northern BC. Those plans were put on hold late in 2022 when the Lieutenant Governor in Council ("**LGIC**") directed the British Columbia Utilities Commission by Order-in-Council ("**OIC**") to relieve BC Hydro of the obligation to supply electrical service for cryptocurrency projects for a period of 18 months. The cryptocurrency moratorium forced Conifex to halt development at two HPC sites BC Hydro had identified as promising locations with available power to support HPC data center operations.

In April 2023, Conifex filed a petition in the BCSC seeking judicial review of the OIC and an order quashing and setting aside the OIC as unauthorized or otherwise invalid. The BCSC dismissed the petition in February 2024. Although the judgment concluded that the LGIC could not impose a permanent ban on supplying power, imposing a temporary ban on cryptocurrency miners was determined to be valid.

"Conifex has not been provided any credible justification for allowing BC Hydro to deny service to our two HPC sites," said Ken Shields, Chairman and CEO of Conifex.

Mr. Shields added: "With the large number of forest sector plant closures over the past few years, it is obvious that forestry companies need to diversify and strengthen their revenue streams to sustain operations. Successfully appealing the decision will provide us a clear path to resume work on initiatives that meet the social and economic expectations of our employees, contractors and shareholders, as well as residents of the communities where we operate."

Conifex continues to believe that the provincial government and BC Hydro are missing out on several opportunities available to them to improve energy affordability, accelerate technological innovation, strengthen the reliability and resiliency of the power distribution grid in British Columbia, and achieve more inclusive economic growth. Conifex looks forward to an opportunity to hold discussions that will promote the principles of sustainable economic development and Indigenous reconciliation in the Province.

Conifex also announced today that it is curtailing its sawmill and planer for a period of two weeks commencing June 17, 2024. The curtailment is the result of ongoing weather-related transportation challenges that have delayed spring log deliveries and resulted in lower than planned log inventories. It

is anticipated that the reduced operating schedule will impact sawmill production capacity by approximately 8,500 Mfbm. Conifex continues to deliver spring decked logs from the southern portion of the Mackenzie TSA, and has commenced summer logging activities in the northern portion of the TSA. While weather may continue to impact log deliveries, Conifex currently anticipates resuming full operations at the sawmill and planer on July 2, 2024.

For further information, please contact:

Trevor Pruden
Chief Financial Officer
(604) 216-2949

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 statements regarding the impact of the OIC on HPC Projects, including the timing of the pause thereof, and Conifex's current temporary curtailment duration. Assumptions underlying Conifex's expectations regarding forward-looking information contained in this news release include, among others, that the OIC will not be lifted, and that Conifex's two-week curtailment is sufficient to address the impact of ongoing weather-related transportation challenges on log deliveries. 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, without limitation, that production conditions will enable Conifex to resume full operations on July 2, 2024; and other risk factors detailed in our filings with the Canadian Securities Regulatory Authorities available on SEDAR+ at www.sedarplus.ca. 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.