



CONIFEX TIMBER INC.

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CONIFEX FILES FINAL PROSPECTUS

–Shareholder Approval for Private Placement –

March 3, 2017, Vancouver, British Columbia – Conifex Timber Inc. ("**Conifex**") (TSX: CFF) announced that it has obtained a final receipt dated March 1, 2017 for its short form prospectus, filed with the securities regulatory authorities in all provinces of Canada other than Québec, in connection with its previously announced bought deal offering led by Raymond James Ltd., together with CIBC World Markets Inc. (collectively, the "**Underwriters**").

The Underwriters agreed to purchase, on a bought deal basis, 3,000,000 common shares of Conifex at a price of \$3.05 per common share for total gross proceeds of \$9,150,000 (the "**Offering**"). Conifex has also granted the Underwriters an option (the "**Over-Allotment Option**"), exercisable at any time for a period of 30 days following closing, to acquire up to an additional 450,000 common shares on the same terms for additional gross proceeds of up to \$1,372,500. The Toronto Stock Exchange ("**TSX**") has conditionally approved the listing of the common shares to be sold under the Offering.

A copy of the short form prospectus is available under Conifex's profile at www.sedar.com.

Conifex also announced that it has obtained conditional approval of the TSX for its previously announced private placement (the "**Private Placement**") of 1,600,000 common shares to an existing shareholder (the "**Existing Shareholder**") at the same price as the issue price under the Offering for total gross proceeds of \$4,880,000.

Assuming the Over-Allotment Option is not exercised, the Offering and the Private Placement will result in gross proceeds of \$14,030,000. If the Over-Allotment Option is exercised in full, the Offering and the Private Placement will result in gross proceeds of \$15,402,500. Conifex primarily intends to use the net proceeds of the Offering and the Private Placement to partially repay outstanding indebtedness under its

existing credit facility with Wells Fargo Capital Finance Corporation Canada, which may re-drawn, to partially pay costs of its El Dorado sawmill project and for working capital.

Listing of the common shares issuable under the Private Placement is subject to Conifex fulfilling all of the listing requirements of the TSX, including obtaining approval of a "majority of the minority" of the shareholders of Conifex. Pursuant to the policies of the TSX, TSX considers a private placement in which a shareholder acquires greater than 20% of the outstanding shares of an issuer as materially effecting control of the issuer, and therefore requiring shareholder approval. Conifex has obtained the required shareholder approval by obtaining written consents from holders of more than 50% of the outstanding common shares, excluding shares held by the Existing Shareholder. As at the date hereof, to the best of the Company's knowledge, the Existing Shareholder controls or directs 4,012,801 common shares, representing approximately 18.86% of the outstanding common shares, and is expected to control or direct 5,612,801 common shares following the completion of the Private Placement, representing 21.69% of the outstanding common shares on completion of the Private Placement and the Offering assuming the Over-Allotment Option is not exercised, and 21.32% of the outstanding common shares assuming the Over-Allotment Option is exercised in full.

The Offering is expected to close on or about March 8, 2017 and the Private Placement is expected to close on the next business day, subject, in each case, to customary closing conditions. Closing of the Offering is also conditional on the subscription proceeds and all closing documents in respect of the Private Placement having been delivered into escrow with Conifex's counsel.

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

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, including without limitation the completion of the Offering and Private Placement and the use of the proceeds of the Offering

and Private Placement. Forward-looking statements reflect the current expectations and beliefs of the Conifex's management. Because forward-looking statements involve known and unknown risks, uncertainties and other factors, actual results, performance or achievements of Conifex or industry may be materially different from those implied by such forward-looking statements. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including without limitation those relating to: potential disruptions to production and delivery, including as a result of equipment failures, labour issues, the complex integration of processes and equipment and other factors; labour relations; failure to meet regulatory requirements; changes in the market; potential downturns in economic conditions; fluctuations in the price and supply of required materials, including log costs; fluctuations in the market price for products sold; foreign exchange fluctuations; trade restrictions or import duties imposed by foreign governments; availability of financing (as necessary); shipping or logging disruptions; and other risk factors described in Conifex's 2015 annual information form, annual management's discussion and analysis for the year ended December 31, 2016, the short form prospectus and other public filings 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.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.