

BW SLC Holdings Discloses Acquisition of Securities of Conifex Timber Inc.

(New York – July 9, 2018) BW SLC Holdings, LLC (“**BW SLC**”) announces that it has acquired beneficial ownership of, or control or direction over, an aggregate of 8,252,373 common shares (the “**Acquired Shares**”) of Conifex Timber Inc. (“**Conifex**”) and 2,304,878 warrants (the “**Acquired Warrants**”) to purchase common shares of Conifex. The Acquired Shares and Acquired Warrants were issued as partial consideration for the sale by BW SLC and others to a subsidiary of Conifex of all the outstanding membership interests of Suwannee Lumber Holding Company, LLC, Suwannee Timber Management, LLC and Caddo River Forest Products, LLC (the “**Transaction**”). The Acquired Shares were issued at a deemed value of \$6.50 per Acquired Share for a total deemed value of \$53,640,424.50 and the Acquired Warrants have an exercise price of \$8.78 per common share and are exercisable until July 9, 2023 (the “**Expiry Date**”), provided that such Expiry Date may be extended by 365 days in limited circumstances.

Prior to the Transaction, BW SLC and its joint actors did not beneficially own or control any securities of Conifex. On the closing of the Transaction (the “**Closing**”) and assuming the exercise in full of the Acquired Warrants, BW SLC acquired beneficial ownership of, or control of and direction over, 10,557,251 common shares of Conifex or approximately 21.59% of the issued and outstanding common shares of Conifex (calculated on a partially diluted basis).

On the Closing, the board of directors of Conifex (the “**Board**”) appointed Charles P. Miller and George R. Judd as directors pursuant to a nomination rights and standstill agreement (the “**Nomination and Standstill Agreement**”) between BW SLC, Blue Wolf Capital Advisors III, LLC (“**Blue Wolf**”) and Conifex. The Nomination and Standstill Agreement provides Blue Wolf with the right, subject to certain terms and conditions, including BW SLC and its affiliates maintaining certain share ownership thresholds, to designate up to two directors for nomination to the Board at each annual or special general meeting of the shareholders of Conifex at which directors of Conifex are nominated for election.

Subject to the terms and conditions of the Nomination and Standstill Agreement and applicable law, BW SLC or any of its joint actors may, in the future, acquire or dispose of common shares or other securities of Conifex depending upon a number of factors, including but not limited to general market and economic conditions and other available investment opportunities.

This news release is being disseminated as required by National Instrument 62-103 – *The Early Warning System and Related Take-Over Bids and Insider Reporting Issues* in connection with the filing of an early warning report, a copy of which is available on SEDAR under Conifex’s profile at www.sedar.com or by contacting Joshua Cherry-Seto at 212.488.1347.

BW SLC is a limited liability company organized under the laws of the State of Delaware and a forest products holding company. The address of BW SLC is One Liberty Plaza, 165 Broadway, 52nd Floor, New York, New York, 10006. The address of the head office of Conifex is 980 - 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B6.