

PROXY SOLICITED BY MANAGEMENT
Special Meeting of Shareholders June 9, 2006



The undersigned holder of Common Shares of Canfor Corporation (the "Company") hereby appoints Peter J.G. Bentley or failing him James A. Shepherd or in place of the foregoing _____ or failing him/her _____ as proxy of the undersigned to attend, vote and otherwise act for and on behalf of the undersigned in respect of all matters that may come before the Meeting of the Company to be held on the 9th day of June, 2006, and at any and all adjournments thereof and the undersigned hereby revokes any proxy previously given to attend and vote at the meeting. The purpose of the meeting is for the holders of Common Shares of the Company to consider a special resolution (the "Arrangement Resolution"), a copy of which is attached as Appendix A to the Information Circular dated April 28, 2006 (the "Information Circular"), approving the arrangement (the "Arrangement") described in the Information Circular.

UNLESS THE UNDERSIGNED DIRECTS OTHERWISE THE PROXY WILL VOTE FOR THE FOLLOWING MATTER:

THIS PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED AS PROXIES WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE WITH RESPECT TO FURTHER AND OTHER BUSINESS AS MAY PROPERLY BE BROUGHT BEFORE THE MEETING. WHERE NO CHOICE IS SPECIFIED OR WHERE BOTH CHOICES ARE SPECIFIED IN RESPECT OF ANY MATTER THE SHARES COVERED SHALL BE VOTED FOR THE ADOPTION OF ALL SUCH MATTERS.

1. To approve the Arrangement Resolution.

FOR AGAINST

1. YOU MAY APPOINT A PERSON TO REPRESENT YOU AT THE MEETING OTHER THAN THE PERSONS NAMED ABOVE BY INSERTING THE NAME OF THE PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, IN THE SPACE PROVIDED ABOVE FOR THAT PURPOSE.

2. This Proxy should be dated and the signature should agree with the name on this Proxy. If this form of Proxy is not dated, it will be deemed to bear the date on which it is mailed to the Shareholders by the Company.

3. Please return this Proxy in the enclosed self-addressed return envelope so that it will be received by CIBC Mellon Trust Company, 16th Floor, 1066 West Hastings Street, Vancouver, B.C., V6E 3X1 or the Corporate Secretary of Canfor at 100 – 1700 West 75th Avenue, Vancouver, British Columbia, V6P 6G2 by 4:30 P.M. (VANCOUVER TIME) ON JUNE 7, 2006.

2. In the discretion of the proxyholder with respect to further and other business as may properly be brought before the Meeting or any adjournment thereof.

DATED this _____ of _____, 2006.

 Signature of Shareholder(s)

(Please advise the Company of any change of address)

Shareholders who are unable to be present at the meeting are requested to sign and return this Proxy in the enclosed self-addressed envelope.