FORWARD LOOKING STATEMENTS

The presentation and answers to questions today contain forward-looking statements which involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Factors that could have a material impact on any future oriented statements made herein include, but are not limited to: general economic, market and business conditions, product selling prices, raw material and operating costs, foreign exchange rates, interest rates, changes in law and public policy, the outcome of trade disputes, and opportunities available to or pursued by the Company.

For further details on these factors and our assumptions and applicable risks and uncertainties, please refer to Canfor Corporation’s Annual Report for the year ended December 31, 2013 available at www.canfor.com or www.sedar.com.
CANFOR CORPORATION (CFP)
OUR FACILITIES

- **Sawmills**
  - 12 in BC, 1 in Alberta
  - 10 in US South
    (4 in Carolinas, 3 in Alabama; 2 in Georgia & 1 in Mississippi - to close in early 2015)
  - Capacity: 5.7 billion board feet

- **Pulp and paper mills**
  - 3 NBSK pulp facilities in Prince George
  - 1 BCTMP facility near Fort St John
  - Capacity: 1.3 billion tonnes pulp
    140,000 tonnes paper

- **Green Energy**
  - 1 plant in Alberta
  - 3 pellet plants in BC
DIVERSIFIED REGIONS & CUSTOMERS:

- INTEGRATED CLIENT SERVICE MODELS; STRONG SUPPLY CHAIN FOCUS

Lumber Sales
Last 12 months to Q3 2014
$2.0 Billion

- United States
- Asia
- Canada
- Other

Pulp Sales
Last 12 months to Q3 2014
$1.0 Billion

- Americas
- Asia
- Europe

UPM

THE HOME DEPOT

Universal Forest Products

LOWE'S

Builders FirstSource

PRCBuild

Kimberly-Clark

84 LUMBER

CANFOR
From 2010 to 2014, the Canfor lumber business has invested more than $300 million on high returning strategic capital upgrades in regions and operations with excellent fibre base:

- Planer upgrades
- Energy systems
- Productivity improvements
- Grade optimization

An additional $150 million has been spent on the acquisition of two Tembec sawmills and re-capitalization of Radium facility in southeastern B.C.
US SOUTH EXPANSION

- Total Capacity: approx. 1.4 billion board feet (incl. 2015 acquisitions in GA and MS)
- Strong fibre supply region, high performing operations
- Significant reinvestment of capital
- Access to domestic and offshore markets

PRODUCTION MIX

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Pro-forma (post-acquisition)</th>
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<tbody>
<tr>
<td>US South</td>
<td>12%</td>
<td>23%</td>
</tr>
<tr>
<td>British Columbia</td>
<td>80%</td>
<td>70%</td>
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<tr>
<td>Alberta</td>
<td>8%</td>
<td>7%</td>
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RISING GLOBAL DEMAND FOR HIGH VALUE GRADES

OFFSHORE MARKETS
- J-Grade
  - Japan
  - China
- Square Edge
  - Korea
  - Japan
  - China
- #2 & Better
  - China
- #3 & Economy
  - China
  - India
  - Middle East
  - Other Emerging Markets

NORTH AMERICA
- Square Edge
  - USA
  - Canada
- MSR
  - USA
  - Canada
- #2 & Better
  - USA
  - Canada
- #3 & Economy
  - USA
  - Canada

% Offshore Shipments
0% 50% 100%

% North American Shipments
0% 50% 100%
SIGNIFICANT EBITDA IMPROVEMENTS: TOP QUARTILE PERFORMANCE

- Optimizing top quartile performance at lumber operations
  - Divested non-core assets, closed fibre-challenged mills
- Expanded market presence and diversification
  - Building further value / volume in China and Japan
  - Pioneering into new markets (e.g. India)
- Regional performance reflect strong results in all regions
  - Strong margin focus and quality fibre base in all regions
CHINA IMPORTS OF LUMBER (MMfbm)

Source: China Customs
US LUMBER DEMAND

HOUSING STARTS NOT THE ONLY MARKET TO WATCH

US Lumber Demand

Source: RISI
CANFOR PULP PRODUCTS INC. (CFX)
3 facilities located in close proximity within Prince George, BC

Market pulp capacity of 1.1 million tonnes, kraft paper capacity of 140,000 tonnes

Focus on operational excellence and achieving targeted operating rates

Marketing focus on premium product sales to high quality customers

Fully leverage Canfor/Canfor Pulp integration opportunities (>10M per year)
OPERATING CAPACITY REMAINS HIGH FOR SOFTWOOD PULP

- Significant new hardwood capacity forecast to come to market in the near-term
- Historical price premium of $70 for NBSK over eucalyptus; currently near $150/admt
- Potential for softwood pricing to be negatively influenced by falling hardwood operating rates

Source: RISI and PPPC
FOCUS ON PREMIUM GRADES SUPPORTING TOP QUARTILE PERFORMANCE

• Targeting customers that need reinforcing pulp
  - Specialty
  - Décor, Masking tape base, Abrasive backing, Labels
  - Tissue

• Branded top quality lightweight tissue
• Publication grades
  › Magazines / Catalogues
  › Reduce commodity P&W

• A balanced and diversified regional mix
  - Rebalance growth in China and the reduction in North American business

End Use

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<tr>
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<th>Tissue</th>
<th>Commodity</th>
<th>Publishing</th>
<th>Specialty</th>
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<td>2007</td>
<td>30%</td>
<td>12%</td>
<td>47%</td>
<td>12%</td>
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<tr>
<td>2013</td>
<td>19%</td>
<td>6%</td>
<td>28%</td>
<td>2%</td>
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Sales

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<tr>
<th></th>
<th>America</th>
<th>APAC</th>
<th>China</th>
<th>Europe</th>
<th>Japan</th>
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<tbody>
<tr>
<td>2007</td>
<td>52%</td>
<td>15%</td>
<td>15%</td>
<td>16%</td>
<td>6%</td>
</tr>
<tr>
<td>2013</td>
<td>35%</td>
<td>15%</td>
<td>35%</td>
<td>16%</td>
<td>10%</td>
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</tbody>
</table>
SUSTAINED EBITDA PERFORMANCE AGAINST PEERS

Reinforcing top quartile performance:

- Ongoing operational excellence focus
- Energy optimization
- Enhancing offerings of premium pulp and specialty paper
- Over $250 million of capital investment since 2010

EBITDA per adm Kendrick pulp (rolling four quarter average)

- $0
- $50
- $100
- $150
- $200
- $250
- $300


Producer 1 CFX Producer 2 Producer 3
INVESTOR CONTACTS

TSX Ticker: CFP, CFX

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