

For Immediate Release

November 15, 2018

Canfor to Acquire Majority Interest in VIDA Group of Sweden

Vancouver, BC, Canada — Canfor Corporation (TSX:CFP) announces that it has entered into an agreement to purchase 70% of the VIDA Group ("VIDA") of Sweden for a purchase price of 3,990 million Swedish Krona (approximately CAD\$580 million) on a cash and debt free basis, which includes CAD\$125 million (70%) of normalized working capital. The current owners of VIDA will retain a 30% interest and continue to manage the day-to-day business.

"With the acquisition of VIDA, we are excited to become a truly international manufacturer and provider of wood product solutions for our global customers," said Don Kayne, President and Chief Executive Officer of Canfor. "This transformational growth will allow Canfor to further diversify and secure a worldwide fibre supply to meet the growing demand of our customers for high-quality wood products."

VIDA is Sweden's largest privately owned sawmill company, operating nine sawmills in southern Sweden with an annual production capacity of 1.1 billion board feet. All of the sawmills produce spruce and pine products, and are strategically located in high quality and sustainable fibre regions of Sweden. In addition, VIDA has nine value-added facilities that include premium packaging, modular housing, industrial products and energy.

"VIDA, a well-known brand in its current markets, is aligned with our corporate strategy of producing high-value products, providing an exceptional customer service experience and maintaining a low cost structure," added Kayne. "We are excited that Santhe Dahl, Group CEO and Måns Johansson, Deputy CEO, of VIDA will continue to lead the company operations in Sweden. We welcome VIDA's skilled management team, talented employees and modern operations to our Company."

"We have known Canfor for a long time as a high-quality manufacturer and provider of wood product solutions. We are proud to announce that we are now becoming part of a global operation together with Canfor. This will allow us to continue to strengthen and develop the VIDA brand on a global scale," said Santhe Dahl, Chief Executive Officer, VIDA Group.

In conjunction with the Elliott Sawmilling Company Inc. acquisition announced last week, this acquisition is a positive step forward in our diversification strategy for our operations, products and customers. After taking into account the full impact of VIDA and Elliott, Canfor's annual production capacity will be approximately 7.2 billion board feet, with a highly diversified operating base in western Canada, the U.S. and Europe.

The purchase price represents a 5.7 times EBITDA multiple based on VIDA's 2018 projected EBITDA of approximately CAD\$145 million, before taking account of estimated annual synergies of CAD\$20 million, projected to be achieved through marketing opportunities arising from the increased global scale of our business.

The Company anticipates being able to finance this transaction with cash and liquidity on hand but will complete an extension and expansion of its existing operating and term loan facilities.

The transaction is expected to close in the first quarter of 2019 and is subject to due diligence, completion of certain transaction documents and other customary closing conditions, including any required regulatory approvals.

Backgrounders

Backgrounders on both Canfor Corporation and the VIDA Group have been posted on canfor.com in the News & Press Releases section.

Analyst Conference Calls

An analyst conference call to discuss this acquisition will be held on **Thursday, November 15, 2018 at 10:00 AM Pacific Time**. A deck titled "Acquisition Updates" has been posted on canfor.com in the Investors section under Presentations for background information.

To participate in the call, please dial one of the following numbers:

North America Toll-Free Access: 1-888-390-0546

North America Access: 1-416-764-8688

ITF – Sweden: 0200899189

ITF – Sweden (mobile): 0200899189

Let the operator know you wish to participate in the Canfor conference call.

Following management's discussion, the analyst and investment community will be invited to ask questions.

For Instant Replay Access please dial one of the following numbers and enter

North America Toll-Free Access: 1-888-390-0541

North American Access: 1-416-764-8677

Participant Pass Code: 336261 #

Recording available until: November 29, 2018

The conference call will be available live at www.canfor.com.

Media Conference Call

A media conference call with Don Kayne will be held on **Thursday, November 15, 2018 at 11:30 AM Pacific Time**. To participate in the call, please dial one of the following numbers:

North America Toll-Free Access: 1-888-390-0546

North America Access: 1-416-764-8688

ITF – Sweden: 0200899189

ITF – Sweden (mobile): 0200899189

Let the operator know you wish to participate in the Canfor conference call.

Following management's discussion, media will be invited to ask questions.

For Instant Replay Access please dial one of the following numbers and enter

North America Toll-Free Access: 1-888-390-0541

North American Access: 1-416-764-8677

Participant Pass Code: 578527#

Recording available until: November 29, 2018

The conference call will be available live at www.canfor.com.

Forward Looking Statements

Certain statements in this press release constitute “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. Words such as “expects”, “anticipates”, “projects”, “intends”, “plans”, “will”, “believes”, “seeks”, “estimates”, “should”, “may”, “could”, and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are based on management’s current expectations and beliefs and actual events or results may differ materially. There are many factors that could cause such actual events or results expressed or implied by such forward-looking statements to differ materially from any future results expressed or implied by such statements. In addition, assumptions on which such forward-looking statements are based include the timely receipt of regulatory approvals and no adverse regulatory decisions, the timely and successful integration of the Company and VIDA AB and the accuracy and completeness of the information provided to the Company in respect of VIDA AB. There can be no assurance that the proposed transaction will occur or that the anticipated strategic benefits and synergies will be realized in their entirety, in part or at all. Forward-looking statements are based on current expectations and Canfor assumes no obligation to update such information to reflect later events or developments, except as required by law.

Canfor is a leading integrated forest products company based in Vancouver, British Columbia (“BC”) with interests in BC, Alberta, North and South Carolina, Alabama, Georgia, Mississippi and Arkansas. Canfor produces primarily softwood lumber and also owns a 54.8% interest in Canfor Pulp Products Inc., which is one of the largest producers of market northern bleached softwood kraft pulp and a leading producer of high performance kraft paper. Canfor shares are traded on the Toronto Stock Exchange under the symbol CFP.

Media Contact:

Michelle Ward

Director, Corporate Communications

1 (604) 661-5225

communications@canfor.com

Investor Contact:

Pat Elliott

Vice President, Corporate Finance and Strategy

1 (604) 661-5441

Patrick.Elliott@canfor.com