

For Immediate Release

June 3, 2019

Canfor to Permanently Close Vavenby Sawmill *Agreement Reached with Interfor to Acquire Vavenby Forest Tenure*

Vancouver, BC, Canada — Canfor Corporation (TSX:CFP) announced today it will be closing its Vavenby sawmill in British Columbia this July following an orderly wind down. Canfor has reached an agreement to sell the forest tenure associated with the Vavenby sawmill to Interfor for a price of \$60 million. The sale of the forest tenure is subject to customary closing conditions including the consent of the Minister of Forests. Closing is expected to occur in the third quarter of 2019.

“Due to the current and long-term log supply constraints we face in the Vavenby region, along with the high cost of fibre, we have made the very difficult decision to permanently close the sawmill and sell the associated forest tenure to Interfor. The ongoing depressed lumber markets have expedited this decision,” said Don Kayne, President and CEO, Canfor.

“Today’s decision is not a reflection on our employees, our contractors or the local communities of Vavenby and Clearwater who have all contributed significantly to the operation of our mill,” added Kayne. “We deeply regret the significant impact to our employees, contractors and the communities, and will be working to support them through this difficult time.”

“The BC forest industry has recognized for several years that sawmill capacity must be reduced as the annual allowable cut decreases following the end of the Mountain Pine Beetle epidemic,” said Kayne.

The Vavenby sawmill has an annual production capacity of approximately 250 million board feet.

Following the closure of Vavenby, Canfor will have 12 sawmills in Canada, with total annual capacity of approximately 3.55 billion board feet.

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. 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, as well as in Sweden with its recent majority acquisition of Vida Group. Canfor produces primarily softwood lumber and also owns a 54.8% interest in Canfor Pulp Products Inc., which is one of the largest global 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.

-30-

Media Contact:

Michelle Ward
Director, Corporate Communications
(604) 661-5225
communications@canfor.com

Investor Contact:

Pat Elliott
VP, Corporate Finance and Strategy
(604) 661-5441
Patrick.Elliott@canfor.com