

For Immediate Release

February 15, 2022

Canfor Announces Capacity Reduction at Plateau Sawmill

Vancouver, BC – Today Canfor Corporation (TSX:CFP) announced the permanent reduction of 150 million board feet of production capacity at its Plateau Sawmill to resize the facility and align it with the available, sustainable timber supply in the region following the devastating impacts of the Mountain Pine Beetle infestation and other constraints on the timber harvesting land base. The reduction in production capacity will be achieved through a partial plant closure and the elimination of one of the three production lines in the mill.

The capacity reduction is expected to impact approximately 70 employees at the facility and is anticipated to take effect at the end of the second quarter of 2022 following the depletion of existing log inventory. Canfor will mitigate the impact to affected employees by offering employment opportunities at other Canfor locations, along with relocation and transition support.

“As the allowable annual cut has decreased in the region, it is necessary to resize the facility to align with the sustainable fibre supply,” said Don Kayne, President and CEO, Canfor. “I want to thank our Plateau employees for their ongoing dedication and hard work, and we are committed to providing comprehensive support to those employees impacted by today’s announcement, including offering jobs at other Canfor facilities. We will work to minimize the impacts this decision has on our employees, their families, our contractors and the community.”

Canfor will establish a community support fund and will work with the District of Vanderhoof to identify projects and initiatives that will best support the community through the transition.

In addition, Canfor is investing \$14 million in the Plateau facility to enhance manufacturing flexibility and efficiency of the two remaining production lines and position the smaller scale operation for long-term success. Following the completion of the capital investment and the closure of the production line in the second quarter, Plateau’s annual production capacity will be 370 million 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.

About Canfor Corporation

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, Arkansas and Louisiana, as well as in Sweden with 70% interest in 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. For more information visit canfor.com.

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