

For Immediate Release

January 11, 2023

Canfor Pulp Announces Right-sizing of Operating Footprint with Permanent Closure of Pulp Line at Prince George Pulp and Paper Mill

Vancouver, BC – Following extensive analysis of its operating footprint and the long-term supply of economic residual fibre, Canfor Pulp Products Inc. (TSX: CFX) is announcing the decision to permanently close the pulp line at its Prince George Pulp and Paper Mill, which will result in a reduction of 280,000 tonnes of market kraft pulp annually. The Specialty Paper facility at the site will continue to operate.

“In recent years, several sawmills have permanently closed in the Prince George region due to reductions in the allowable annual cut and challenges accessing cost-competitive fibre. This has had a material impact on the availability of residual fibre for our pulp facilities and we need to right-size our operating platform. As a result, we have made the very difficult decision to shut down the pulp line at Prince George Pulp and Paper Mill and will continue to operate the Specialty Paper facility,” said Kevin Edgson, President and CEO, Canfor Pulp.

Over the next few months, the Company will be following an orderly wind down process. The pulp line is expected to close by the end of the first quarter of 2023 and is anticipated to impact approximately 300 positions across the organization by the end of the year.

“We greatly appreciate our valued team members who have been helping to navigate a very challenging business environment,” said Edgson. “We understand and regret the impact today’s announcement has on our employees, their families, the businesses that support our operations, and the local community. We will be working in the weeks and months ahead to support our employees through this transition.”

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 Pulp Products Inc.

Canfor Pulp Products Inc. (“Canfor Pulp” or “CPPI”) is a leading global supplier of pulp and paper products with operations in the central interior of British Columbia (“BC”). Canfor Pulp owns and operates three mills in Prince George, BC with a total capacity of 1.1 million tonnes of Premium Reinforcing Northern Bleached Softwood Kraft (“NBSK”) Pulp and 140,000 tonnes of kraft paper, as well as one mill in Taylor, BC with an annual production capacity of 230,000 tonnes of Bleached Chemi-Thermo Mechanical Pulp (“BCTMP”). Canfor Pulp is one of the largest North American and global producers of market northern softwood kraft pulp. CPPI shares are traded on the Toronto Stock Exchange under the symbol CFX. For more information visit canfor.com.

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