



September 2006

Certification Report



Canadian Forest Products Ltd. Vavenby Defined Forest Area

As a component of Canfor's ongoing commitment to sustainable forest management (SFM) and forest certification, an audit team from PricewaterhouseCoopers LLP conducted CSA Z809-02 and ISO 14001:2004 Surveillance Audits on the Vavenby Defined Forest Area ("DFA") in August 2006.

The audits determined that Canadian Forest Products Ltd.'s (Canfor) Vavenby Division continued to successfully maintain an SFM Plan that met the requirements of the CSA Z809-02 Sustainable Forest Management Standard and also successfully maintained an environmental management system (EMS) that met the requirements of the ISO 14001:2004 Standard for EMS. Copies of the certificates and reports associated with the CSA Z809-02 and ISO 14001 registrations can be found at www.canfor.com/sustainability/certification. The most recent PricewaterhouseCoopers Registrar's Reports for CSA Z809-02 and ISO 14001:2004 are provided on pages 3-4 of this report.

Background Information

The Vavenby Defined Forest Area (DFA) is near the community of Vavenby in the southern interior of British Columbia. It is comprised of the 242,600 ha of Crown Land within Canfor's Forest License A18688 and Tree Farm License 18. Woodlot Licenses and all private lands are excluded from the DFA. Activities on the DFA include forest management planning, public reporting, public involvement, harvesting, road construction and silviculture.

Canfor has implemented a Vavenby SFM Plan that is consistent with the Timber Supply Area (TSA) level SFM Plan developed by the Kamloops TSA Public Advisory Group and Licensees.

A two person team of auditors from PricewaterhouseCoopers conducted the independent, third party audits in August 2006:

Lead Auditor – Bruce Eaket RPF, CEA(SFM), EMS (LA)

Auditor – Shawn Ellsworth RPF



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Good Management Practices

The audit team identified several good Sustainable Forest Management practices that are summarized below:

- Canfor has established excellent lines of communication with various staff and contractors. For example, they have created a field reference book for all staff and contractors that combines the Emergency Response Plan and Environmental Instructions.
- Canfor's approach to species at risk is deemed above average.
- The Public Advisory Group has good awareness of local issues and concerns and attempts to involve all stakeholders.
- Canfor's Pre-Work checklist was revised to incorporate input from various sources, including a roads subcommittee and truck drivers.
- No garbage was observed during the audit.

Nonconformities

The audit team identified two minor nonconformities against the Standards and/or Canfor policies. Canfor has subsequently provided the audit team with action plans including timelines for addressing these issues:

- Some SFM documents requiring management authorization were not approved for use by management.
- A 25m section of a non-classified drainage was not protected according to plans.

Opportunities for Improvement

The audit team also identified opportunities for improvement for Canfor's consideration, as summarized below:

- Vavenby has created a sign-off sheet for staff and contractors to confirm that they have received FMS training and a checklist to ensure new staff complete all orientation training requirements, however, the questions on the form could have been more thorough.
- Canfor may wish to consider scheduling their annual management review meeting after completing and reviewing the annual internal audits to avoid the need for multiple meetings/followup.
- Canfor Vavenby could consider including all relevant information sheets in their new Environmental Instructions and Emergency Response Plan book.
- Canfor may wish to consider making it a requirement for spill clean-up supplies to be kept on all contractors' logging equipment.
- The audit team found Canfor's road construction and maintenance practices to be much improved since 2005, however two minor water management issues were identified.
- Canfor is currently implementing an information management system which is significantly improving the quality of maps and site plan templates however, they could also benefit from including further stream and wetland details.

Canadian Forest Products Ltd. Vavenby Defined Forest Area – cont'd



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Registrar's Report

To the Board of Directors and Management of Canadian Forest Products Ltd.

We have audited management's assertion, set out in the attached letter, that Canadian Forest Products Ltd.'s – Vavenby Division has met the requirements of the CAN/CSA Z809-02 Standard (the "Standard") as of May 13, 2005.

Management is responsible for the Vavenby Division meeting these requirements. Our responsibility is to express an opinion on management's assertion that the Vavenby Division met these requirements, based on our audit. The CAN/CSA Z809-02 requirements can be found at www.csa-intl.org.

Our audit was conducted in accordance with the ISO 19011:2002 management system auditing standard and, accordingly, included examining, on a sample basis, evidence supporting management's assertion that the Vavenby Division met the requirements of the Standard, evaluating on an overall basis whether the requirements were met, and performing such other procedures as we considered necessary in the circumstances. We planned and performed our work to obtain reasonable, rather than absolute, assurance with respect to the information examined. We believe our work provides a reasonable basis for our opinion.

In our opinion, the Vavenby Division met, in all material respects, the requirements of the CAN/CSA Z809-02 Standard as of May 13, 2005.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP
Vancouver, British Columbia, Canada
October 25, 2005

Registration #: S2005-232



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Vavenby Defined Forest Area – cont'd



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Registrar's Report

To the Board of Directors and Management of Canadian Forest Products Ltd.

We have audited management's assertion, set out in the attached letter, that Canadian Forest Products Ltd. has met the requirements of the International Organization for Standardization's ISO 14001:2004 Standard (the "Standard") for the Fort Nelson, Plateau, Vavenby, Quesnel, Radium and Mackenzie Woodlands Divisions (the "Divisions") as of May 13, 2005.

Management is responsible for the Divisions meeting these requirements. Our responsibility is to express an opinion on management's assertion that the Divisions met these requirements, based on our audit. The ISO 14001:2004 requirements can be found at www.scc.ca.

Our audit was conducted in accordance with the ISO 19011:2002 management system auditing standard and, accordingly, included examining, on a sample basis, evidence supporting management's assertion that the Divisions met the requirements of the Standard, evaluating on an overall basis whether the requirements were met, and performing such other procedures as we considered necessary in the circumstances. We planned and performed our work to obtain reasonable, rather than absolute, assurance with respect to the information examined. We believe our work provides a reasonable basis for our opinion.

In our opinion, the Divisions met, in all material respects, the requirements of the ISO 14001:2004 Standard as of May 13, 2005.

PricewaterhouseCoopers LLP
 Vancouver, British Columbia, Canada
 February 22, 2006
 Registration #: E2004-215

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