

For Immediate Release

April 9, 2020

Canfor Corporation Announces Additional COVID-19 Capacity Reductions

Vancouver, BC — Canfor Corporation (TSX:CFP) is undertaking additional temporary reductions in production capacity due to the impact of COVID-19 on the price of lumber and demand.

“Canfor is experiencing a significant decrease in customer demand due to the global impacts of the COVID-19 pandemic, which has resulted in the difficult decision to take additional downtime in Canada. Our top priority continues to be supporting our employees through this challenging time. We are encouraged by the financial relief programs the provincial and federal governments are implementing to support all impacted workers,” said Canfor Corporation President and CEO Don Kayne.

The following changes to Canfor’s operating schedule are in addition to the capacity reductions announced on March 26. Canfor does not anticipate announcing further operating adjustments before releasing the Company’s first quarter results. We will continue to assess operating rates on a weekly basis and will adjust as needed in response to the rapidly evolving market conditions, changes in customer demand and the global COVID-19 response.

Canadian Operations

Effective April 13, Canadian lumber production will be curtailed by approximately 100 million board feet through to May 1, resulting in a total production run rate of approximately 30%. These reductions will be achieved by taking downtime at the majority of our British Columbia sawmills.

US and European Operations

As previously announced, our Canfor Southern Pine and Swedish facilities will continue to operate at less than full capacity with variable operating schedules and downtime, which will be adjusted to align production with market demand as required. These reduced operating rates are expected to remain in effect through May 1.

As the global impacts of COVID-19 continue to evolve, there is the potential that further adjustments to operating plans may be required.

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. For more information visit canfor.com.

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