

*For Immediate Distribution*

### **Letko Brosseau Intends to Vote AGAINST Great Pacific Capital Corp. Proposal to Take Canfor Corp. Private**

Montreal, Quebec, September 18, 2019 – Letko, Brosseau & Associates Inc., an independent investment manager that exercises investment control or direction over approximately 4.8% of the outstanding shares of Canfor Corporation ("CFP" or the "Company"), today announced its intention to vote AGAINST the proposed going private transaction of CFP by Great Pacific Capital Corp., which currently owns approximately 51% of CFP shares outstanding.

Based on Letko Brosseau's own analysis, the proposed offer is opportunistic and significantly undervalues the Company:

- The 81.8% premium to the prior closing price is based on a very depressed share price (\$8.80), a level that hasn't been seen since 2010. At \$16 per share, the offer is less than 50% of what the shares were trading at about a year ago.
- The offer doesn't reflect Canfor's historical level of profitability and its potential for strong earnings growth and cash flow generation going forward. It values the Company at about 4.2x 2018 adjusted earnings, which is unjustifiably low in our view as the overall market is trading around 15x earnings.

To protect the value of our investment, we intend to vote against the proposed going private transaction. We remind the Company's board of directors and its Special Committee of independent directors of its duty to consider the interests of all shareholders in reviewing the merits of this offer.

Letko Brosseau is a Canadian independent investment manager founded in 1987. As of August 30, 2019, the firm manages approximately \$26 billion in assets for institutional investors and private clients. It has offices in Montreal, Toronto and Calgary.

#### **FORWARD-LOOKING STATEMENTS**

Certain information contained in this press release may constitute forward-looking statements. Forward-looking statements may include estimates, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although Letko Brosseau believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Letko Brosseau's forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained in this press release are made as of the date hereof and Letko Brosseau does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless expressly required by applicable securities laws.

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