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Brink Submits Price to Acquire Four Canfor Sawmills

Prince George, B.C. — September 24th, 2024 — Brink Forest Products Ltd., a pioneering value-added company celebrating its 50th year of operations in Northern British Columbia, has submitted an Addendum to its September 9th, 2024 Letter of Intent to acquire four sawmills from Canfor Corporation. This major step builds on Brink's longstanding commitment to the region and its industries, following a previously submitted Letter of Intent. The sawmills, located in Bear Lake, Fort St. John, Vanderhoof, and Houston, represent a critical opportunity for Brink to protect local manufacturing jobs and sustain regional economies.

Brink Forest Products, part of the Brink Group of Companies, was founded by John A. Brink in 1975 as a small value-added plant with just three employees. Today, the company has grown into an industry leader, operating across Prince George, Vanderhoof, and Houston, while maintaining over 400 direct jobs. For decades, Brink has been a passionate advocate for keeping value-added manufacturing in the regions where timber is harvested—a principle known as "appertancy," which drives this latest acquisition effort.

"This acquisition is essential for Brink and the communities we've served for 50 years," said John A. Brink, CEO and Founder of Brink Forest Products. "Canfor has been a strategic partner for over 30 years, and their sawmills are vital to the survival of our operations. With their impending exit from Northern B.C., we had to make a bold move or risk losing thousands of jobs that depend on this supply chain."

The proposed acquisition comes amid significant challenges in B.C.'s forest sector, including government policy issues, high fibre costs, reductions in the annual allowable cut, and the damaging economic impact of U.S. softwood lumber tariffs (anti-dumping duties). These factors have led to the closure of 50% of B.C.'s sawmills and 75% of its value-added plants over the past 15 years. For Brink, the closure of Canfor's remaining mills would threaten its supply of primary lumber, forcing the company—currently operating at only 50% capacity—into a precarious position.

To support the acquisition, and with Canfor's agreement, Brink engaged Industrial Forest Service Ltd. (IFS), led by their President Rob Schuetz, to perform a detailed analysis of the renewable timber tenures associated with each of the four mills. IFS, widely recognized as global leaders in the forest industry, determined the fair market value of these assets and projected future volumes. Their analysis focused on two primary objectives which include establishing the future volume of replaceable tenure apportioned to each mill, as well as determining the fair market value per cubic meter of tenure in the current marketplace. Together, these elements formed the basis for the transaction value which Brink presented to Canfor today.

Brink's commitment extends beyond economic concerns; the company has a longstanding relationship with First Nations and local communities in Northern B.C.

Over the past 50 years, Brink has worked closely with these groups to ensure their interests are represented. The company is also actively engaging with First Nations, the United Steel Workers Union, and community leaders to explore new job creation opportunities that could arise from this acquisition.

"This is not just about saving Brink Forest Products—it's about preserving the livelihoods of thousands of families in Northern B.C.," added Brink. **"We are committed to staying here, investing here, and ensuring that these communities continue to thrive. I've been here for 50 years, and I'm not going anywhere."**

The Addendum to the Letter of Intent was submitted along with this press release, with the aim of forming a new corporate entity upon Canfor's acceptance. Through this acquisition, Brink hopes to restore over 5,000 direct and indirect jobs in the region.

About Brink Forest Products Ltd.

Brink Forest Products Ltd. is a leading value-added lumber remanufacturer with operations in Prince George, Vanderhoof, and Houston, B.C. Founded in 1975, the company has been a trailblazer in the forest industry by combining innovative primary manufacturing with intensive secondary manufacturing to maximize the economic and social value of the region's timber resources. Brink Forest Products operates under the Brink Group of Companies.

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