

CATHAY FOREST PRODUCTS CORP.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

June 25, 2009

NOTICE IS HEREBY GIVEN that an annual meeting of shareholders (the “**Meeting**”) of CATHAY FOREST PRODUCTS CORP., (the “**Corporation**”) will be held on June 25, 2009, at 12:00 (noon) at The National Club, 317 Bay Street, Toronto, Ontario.

The purposes of the Meeting are:

1. to present the financial statements of the Corporation for the fiscal year ended December 31, 2008 and the auditors’ report thereon;
2. to elect directors;
3. to appoint auditors and authorize the directors to fix their remuneration;
4. to consider, and if deemed advisable, to approve a resolution annexed as Schedule A to this circular approving the continued use of the incentive stock option plan of the Corporation reserving a rolling maximum of 10% of the Corporation’s issued and outstanding shares in compliance with Policy 4.4 – *Incentive Stock Options* of the TSX Venture Exchange; and
5. to transact such other business as may properly be brought before the Meeting.

If you are unable to attend the Meeting in person, please date, sign and return the enclosed form of proxy. Proxies to be used at the Meeting must be deposited with Computershare Trust Company of Canada, 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9 at least 48 hours prior to the Meeting or with the Corporation before the commencement of the Meeting or at any adjournment thereof.

DATED at Toronto, Ontario
May 20, 2009

BY ORDER OF THE BOARD OF DIRECTORS

“John Housser”

John Housser
Chair of the Board of Directors