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**FOR IMMEDIATE RELEASE**

**TSX Venture Exchange symbol: CFZ**

## **Cathay Forest Harvests Trees in Northern China** **- Grants Stock Options -**

**TORONTO, ON, June 15, 2005** – Cathay Forest Products Corp. (“Cathay Forest”) Cathay Forest is pleased to announce that it has cut and sold some standing timber in the northern province of Heilongjiang. The initial small amount of 140 cubic meters of wood sold to a local market represents approximately CDN\$16,000. This is the first wood harvested by Cathay from any of its properties.

“We are undertaking a small scale harvesting program to ensure the infrastructure is in place to accommodate a larger harvesting program later this year when the conditions are better suited for cutting,” said Anthony Ng, Cathay Forest’s President. “The clearing of standing timber now, will allow us to plant our fast growth poplars in the fall and spring in the cleared areas.”

In February, 2005, Cathay announced that it had acquired options on large parcels of land in Heilongjiang. The properties, currently being managed by the local Forest Bureau, have standing, relatively young pine and fir timber. The existing trees on the properties are to be cut down for sale at the local wood markets and proceeds from the sale of the trees will offset planting programs which Cathay will carry out in the spring of 2006.

This agreement represents a trial project for the local government as it measures the success of its first privatization of forested land in an effort to have the land used more efficiently and increase local business development. Cathay is ahead of schedule from this initial, limited harvest as the Company originally expected to begin harvesting in the fall, 2005.

Cathay Forest also announced today that stock options have been granted to purchase a total of up to 2,490,000 common shares. The options were granted to directors, officers, employees, and consultants of the Company. The stock options are exercisable at a price of \$0.60 per share until they expire on May 31, 2010.

Shares of Cathay Forest closed at \$0.55 per share as of the close of the TSX Venture Exchange on June 13, 2005. Cathay Forest currently has 37,534,609 shares issued and outstanding, and with the stock options granted today, the Company has 40,924,609 shares on a fully diluted basis.

### **About Cathay Forest**

Cathay Forest is a forest plantation company specializing in acquiring land, planting fast growing trees, and harvesting in the Peoples Republic of China. Cathay grows engineered, fast growth poplars for the rapidly expanding Chinese pulp and paper industry. Cathay’s expanding portfolio of properties, their specialized tree species, and established supply and pricing agreements with pulp and paper mills will ensure the Company realizes its vision of becoming a world class timber company.

*Forward-Looking Statements*

All statements, other than statements of historical fact, in this news release are forward-looking statements that involve various risks and uncertainties, including, without limitation, statements regarding the future plans and objectives of the Company. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy of this release.

For more information, please contact:

Claude Ayache  
Chief Financial Officer  
Cathay Forest Products Corp.  
(416) 226-7269  
claude.ayache@cathayforest.com  
www.cathayforest.com

Jay Hussey  
Investor Relations  
The Equicom Group Inc.  
(416) 815-0700 ext.225  
jhussey@equicomgroup.com