



CanWel Building Materials Group Ltd.
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Press Release

CANWEL BUILDING MATERIALS GROUP LTD. ANNOUNCES \$60,000,000 MILLION BOUGHT DEAL OF SENIOR UNSECURED NOTE FINANCING

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VANCOUVER, CANADA – September 17, 2018 – CanWel Building Materials Group Ltd. (“CanWel” or the “Company”) (TSX:CWX) announced today that it has entered into an agreement with a syndicate of underwriters led by National Bank Financial Markets, and including GMP Securities L.P., Canaccord Genuity Corp., CIBC World Markets Inc., Raymond James Ltd., RBC Dominion Securities Inc., and Haywood Securities Inc. (collectively, the “Underwriters”), pursuant to which the Underwriters have agreed to purchase on a bought deal basis (the “Offering”), \$60,000,000 aggregate principal amount of senior unsecured notes (the “Notes”) of the Company, at a price of \$1,000 per Note (the “Offering Price”).

The Notes will mature on October 9, 2023 (the “Maturity Date”) and will have non-call protection of 3 years with a declining call schedule thereafter. The Notes will accrue interest at the rate of 6.375% per annum, payable on a semi-annual basis. The Notes will be senior unsecured obligations of the Company and any guarantors and will rank equal in right of payment to all of CanWel’s other senior unsecured obligations.

The net proceeds of the Offering are expected to be used for the repayment of bank debt and for general corporate purposes.

“CanWel is pleased to be participating in the Canadian high yield market” commented Amar Doman, Chairman and CEO. “As net proceeds from this offering will be applied to our outstanding senior loan obligations, we are well-positioned to take advantage of changes in market conditions and acquisition opportunities”; he added.

The Company has agreed to grant the Underwriters an over-allotment option to purchase up to an additional \$9 million aggregate principal amount of Notes at the Offering Price, exercisable in whole or in part, on or after the closing of the Offering and for a period of up to 30 days thereafter to cover over-allotments, if any, and for market stabilization purposes. If this option is exercised in full, an additional \$9 million will be raised pursuant to the Offering and the aggregate gross proceeds of the Offering will be \$69 million.

The Notes will be offered by way of a short form prospectus to be filed in all of the provinces of Canada. The Offering is expected to close on or about October 9, 2018 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Toronto Stock Exchange for the listing of the Notes and the applicable securities regulatory authorities.

About CanWel

Founded in 1989, CanWel is headquartered in Vancouver, British Columbia and trades on the Toronto Stock Exchange under the symbol CWX and is Canada’s only fully integrated national distributor in the building materials and related products sector. CanWel operates: multiple treating plant and

planing facilities in Canada and the United States; distribution centres coast-to coast in all major cities and strategic locations across Canada; in the United States near Portland, Oregon (under construction), San Francisco and Los Angeles, California and in 14 locations in the State of Hawaii through its wholly owned Honsador Building Products Group. CanWel distributes a wide range of building materials, lumber, renovation and electrical products. In addition, through its CanWel Fibre division, CanWel operates a vertically integrated forest products company based in Western Canada, operating from British Columbia to Saskatchewan, also servicing the US Pacific Northwest. CanWel owns approximately 136,000 acres of private timberlands, strategic Crown licenses and tenures, log harvesting and trucking operations, several post and pole peeling facilities and two pressure-treated specialty wood production plants and a specialty saw mill.

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Cautionary Statements

Certain statements in this press release, including but not limited to statements about the Company's dividend payment or policy, may constitute "forward looking" statements. When used in this press release, such statements use words, including but not limited to, "may", "will", "expect", "believe", "plan", "intend", "anticipate", "future" and other similar terminology. These forward-looking statements reflect the current expectations of the Company's management regarding future events but involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual events could differ materially from those projected herein and depend on a number of factors. These factors would include, but are not limited to, dependence on market and economic conditions, sales and margin risk, competition, information system risks, availability of supply of products, risks associated with the introduction of new product lines, product design risk, environmental risks, volatility of commodity prices, inventory risks, customer and vendor risks, acquisition and integration risks, availability of credit, credit risks, interest rate risks, regulatory risks and employee retention risks. In addition, a number of assumptions were utilized or applied in making the forward-looking statements. Some of the key assumptions include, without limitation, assumptions regarding the performance of the Canadian or U.S. economy, interest rates, capital and loan availability, the Canadian or U.S. housing and building materials markets; the amount of the Company's cash flow from operations; tax laws; and the extent of the Company's future acquisitions and capital spending requirements or planning. There is a risk that some or all of these assumptions may prove to be incorrect. There are numerous risks associated with an investment in the notes or common shares of the Company, which are also further described in the "Risk Factors" section of the Company's annual information form dated March 29, 2018 and its other public filings on SEDAR. These forward-looking statements speak only as of the date of this press release. We caution that the foregoing factors that may affect future results are not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by applicable securities laws, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward looking information, whether as a result of new information, future developments or otherwise, except as required by applicable law.