



CanWel Building Materials Group Ltd.
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Press Release

CANWEL BUILDING MATERIALS COMPLETES \$57 MILLION BOUGHT DEAL EQUITY FINANCING

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VANCOUVER, CANADA – September 26, 2017 – CanWel Building Materials Group Ltd. (“CanWel” or “the Company”) (TSX:CWX) is pleased to announce that it has completed its previously announced private placement of 9,832,500 subscription receipts (“**Subscription Receipts**”) at a price of \$5.85 per Subscription Receipt for gross proceeds of \$57,520,125 (the “**Private Placement**”) pursuant to a bought deal underwritten by a syndicate of underwriters led by GMP Securities L.P., and including National Bank Financial Inc., Canaccord Genuity Corp., Raymond James Ltd., Cormark Securities Inc. and Haywood Securities Inc. (the “**Underwriters**”). Proceeds raised under the Private Placement are inclusive of an additional \$7,502,625 raised in connection with the exercise in full by the Underwriters of their option to arrange for the purchase of an additional 1,282,500 Subscription Receipts. Certain members of management, directors and other insiders of the Company subscribed for 960,419 Subscription Receipts for gross proceeds of \$5,618,451.

The Company intends to use the net proceeds of the Private Placement to partially finance the Company’s previously announced acquisition of the Honsador Building Products group of companies (the “**Transaction**”). Closing of the Transaction is subject to the satisfaction of customary conditions and is expected to occur on or about October 2, 2017. For more information on the Transaction, please refer to the Company’s news release dated September 5, 2017.

Each Subscription Receipt will entitle the holder to receive, without further consideration or action, one common share of the Company (a “**Common Share**”) upon satisfaction or waiver of each of the conditions precedent to the closing of the Transaction (other than the payment of the consideration for the Transaction and such other conditions precedent that, by their nature, are to be satisfied at the time of closing of the Transaction). If the Transaction is not completed on or before December 31, 2017 or the Transaction is terminated at an earlier time, holders of Subscription Receipts will receive a cash payment equal to the offering price of the Subscription Receipts and any interest that was earned thereon (net of any applicable withholding taxes).

The Subscription Receipts were sold in Canada on a private placement basis pursuant to “accredited investor” exemptions under National Instrument 45-106 – *Prospectus Exemptions*. The securities offered pursuant to the Private Placement have not been, nor will they be, registered under the *United States Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Given the participation of certain insiders of the Company, the Private Placement constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* (“**MI 61-101**”). The Company has relied on an

exemption to both the formal valuation and the minority shareholder approval requirements of MI 61-101, as neither the fair market value of the Common Shares distributed to, nor the fair market value of the consideration received by the Company from, the insiders of the Company in connection with the Private Placement exceeds 25% of the Company's market capitalization. The Company was not in a position to file a material change report more than twenty one days in advance of the closing of the Private Placement as the details of the Private Placement were settled on an expedited basis for sound business reasons.

About CanWel Building Materials

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, and operates distribution centres coast-to-coast in all major cities and strategic locations across Canada and near San Francisco and Los Angeles, California. CanWel distributes a wide range of building materials, lumber and renovation 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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Forward Looking Statements

Certain statements in this press release may constitute "forward-looking" statements including statements regarding the Transaction and the proposed use of the proceeds from the Private Placement. The following statements are or may constitute forward-looking statements (1) statements preceded by, followed by, or that included words like "may", "will", "would", "should", "expect", "believe", "plan", "intend", "anticipate", "predict", "remain", "anticipate", "estimate", "potential", "continue", "plan", "could", "might", "project", "targeting", "future" and other similar terminology, and (2) other statements regarding matters that are not historical facts. The matters addressed in these statements are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the potential inability to satisfy the conditions to the Transaction. These and other factors could cause or contribute to actual results differing materially from those contemplated by forward-looking statements. Accordingly, readers should not place undue reliance on any forward-looking statements or information. Forward-looking statements contained in this press release speak only as of the date of this press release. The Company does not undertake, and specifically disclaims, any obligation to update or revise any forward looking statements or information, whether as a result of new information, future developments or otherwise, except as required by applicable law.