



## Press Release

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### **CANWEL COMPLETES ACQUISITION OF TREATING DIVISION OF SUPERIOR FOREST PRODUCTS**

VANCOUVER, June 12, 2018 – CanWel Building Materials Group Ltd. (“CanWel” or “the Company”) (TSX:CWX) today announced that its wholly owned subsidiary CanWel Building Materials Ltd. (together with its subsidiary, affiliate or nominee entities, “CanWel”) has acquired the lumber pressure treating plant and related equipment and business (the “Plant”) formerly owned by Superior Forest Products, Inc. and affiliates (the “Acquisition”).

The Plant is located in Junction City, Oregon and is under construction and is expected to be operational towards the end of 2018. The purchase price for the Plant was satisfied in cash from existing credit facilities of the CanWel group.

Amar Doman, Chairman and CEO of CanWel said, “We are very excited with this Acquisition. The Plant complements our California and Hawaii operations, expanding our footprint into the strong Oregon and Washington state markets. This strategic acquisition fits right in line with our strategy of adding scale and volume to the US West Coast in pressure treated lumber and specialty wood products, and is also expected to be accretive for the Company in 2019.”

#### **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; distribution centres coast-to-coast in all major cities and strategic locations across Canada; in the United States near 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 group of companies 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.

#### **For further information regarding CanWel please contact:**

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Certain statements in this press release 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” and other similar terminology. These forward-looking statements reflect the current expectations of the Company’s management regarding future events and operating performance, but involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, including the performance of, and distributable cash generated by the Company, or industry results, 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 include but are not limited to (i) the risk that CanWel may not be able to complete or operate the Plant on terms and conditions satisfactory to it, or at all, or at a cost satisfactory to it; (ii) the risk that CanWel may not be able to obtain the final permits and operational authority to operate the Plant on terms and conditions satisfactory to it, or at all, or at a cost satisfactory to it, (iii) the risk that the construction and completion of the Plant or integration of the Acquisition may result in significant challenges, and management of CanWel may be unable to accomplish the integration smoothly or successfully or without spending unexpected significant amounts of money; (iv) the risk that any inability of management to successfully integrate the operations of the combined business, including, but not limited to, information technology and financial reporting systems, could have a material adverse effect on the business, financial condition and results of operations of CanWel; (v) the risk that Plant revenues, profits and margins are not as expected, (vi) the risk that competing firms which manufacture or distribute competitive product lines will aggressively defend or seek market share, or that potential customers of the Plant (some of whom are competitors of CanWel) do not or no longer do business with the Plant or CanWel, respectively, in each case reducing, eliminating any potential positive economic impact of the Acquisition on the Company; (vii) the risk that any increased sales, margin, profit or distributable cash resulting from the Acquisition may not be fully realized, realized at all or may take longer to realize than expected; (viii) the risk of disruption from the introduction and implementation of the Acquisition making it more difficult to maintain relationships with customers, employees or suppliers, (ix) risks related to the operation of pressure treatment facilities, including but not limited to environmental and remediation risks, labour risks, risks related to maintenance capital expenditures for manufacturing and processing facilities and risks related to capital expenditures for environmental risks, (x) the risk that the Acquisition or the Plant is not completed or completed on terms or schedule that are different than as indicated herein, and (xi) the potential inability of CanWel to complete the formal documentation and satisfy the other conditions required to complete the Plant. As indicated above, completion of the transactions described herein are subject to various conditions, including (among others) obtaining related necessary governmental operating and regulatory permits and approvals. There can be no assurance that each of these conditions will be satisfied to the satisfaction of CanWel. Additional risks and uncertainties affecting the Company, which could cause results to differ materially from those described in these forward-looking statements, include, among others: regulatory and legal risk, increased debt and interest costs, general economic and business conditions, product selling prices, product performance, consumer preferences, design and liability risk, environmental risks software and software design risk, commodity price fluctuations, information systems risk, interest rate changes, operating costs, political or economic instability in local or nation markets, chemical or commodity prices, exchange rate risks for product inputs and competitive conditions. A further description of these additional factors can be found in the periodic and other reports filed by the Company with Canadian securities commissions and available on Sedar (<http://www.sedar.com>). These forward-looking statements speak only as of the date of this press release. In addition, a number of material factors or assumptions were utilized or applied in making the forward-looking statements, and may include, but are not limited to, assumptions regarding the performance of the Canadian economy, relatively stable interest rates, volatility of commodity prices, more limited availability of access to equity and debt capital markets to fund, at acceptable costs, the Company’s future growth plans, the implementation and success of the integration of the Acquisition, and to enable the Company to refinance its debts as they mature, the Canadian housing and building materials market; the direct and indirect effect of the U.S. housing market and economy, 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 as well as the general level of economic activity, in Canada, and abroad, discretionary spending and unemployment levels; the effect of general economic conditions, including market demand for CanWel’s or the Vendor’s products, and prices for such products; the effect of forestry, land use, environmental and other governmental regulations; and the risk of losses from fires, floods and other natural disasters. 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 information, whether as a result of new information, future developments or otherwise, except as required by applicable law.