



CanWel Building Materials Group Ltd.
Suite 1100 – 1055 West Georgia Street
Vancouver, BC V6E 3P3

Press Release

CANWEL BUILDING MATERIALS COMPLETES ACQUISITION OF LEADING HAWAIIAN BUILDING PRODUCTS COMPANY

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VANCOUVER, CANADA – October 2, 2017 – CanWel Building Materials Group Ltd. (“**CanWel**” or the “**Company**”) (TSX:CWX) is pleased to announce it has completed its previously announced acquisition (the “**Transaction**”) of the Honsador Building Products group of companies (“**Honsador**”) for USD\$82.3 million¹. Concurrent with the closing of the Transaction, 9,832,500 subscription receipts of the Company that were issued pursuant to the recently completed private placement (the “**Private Placement**”) were converted into an aggregate of 9,832,500 common shares of the Company in accordance with their terms. For more information on the Private Placement, please refer to the Company’s news release dated September 26, 2017.

The Transaction has resulted in Honsador becoming an indirect wholly-owned subsidiary of CanWel and Honsador's operations have been combined with CanWel's well-established and growing North American platform. The Transaction was funded through a combination of the proceeds from the Private Placement and CanWel’s existing revolving credit facilities, resulting in CanWel maintaining a constant leverage profile.

“I am very pleased with our ability to identify and close on such a great acquisition based on the strength of the business, and the natural fit which now further strengthens and expands our presence on the west coast of the US,” said Amar S. Doman. “I would like to personally welcome our new team members at Honsador to CanWel. We are very excited and look forward to working together in demonstrating the strength of a combined business in the months to come.”

Founded in 1935, Honsador is a leading distributor of building products and electrical supplies and the largest producer of pressure-treated wood in Hawaii, with 14 facilities across the Big Island, Maui, Oahu and Kauai serving the residential, commercial and military markets.

Advisors and Counsel

GMP Securities L.P. acted as financial advisor to CanWel and a team comprised of Dorsey & Whitney LLP, Carlsmith Ball LLP and Goodmans LLP acted as its legal advisors.

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.

For further information regarding CanWel please contact:

Ali Mahdavi
Investor Relations
416-962-3300
ali.mahdavi@canwel.com

Forward-Looking Statements

Certain statements in this press release may constitute “forward-looking” statements including statements regarding the Transaction. 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, risk that the existing and acquired businesses will not be integrated successfully; the risk that cost savings or synergies expected to result from the Transaction may not be fully realized or may take longer to realize than expected; disruption from the Transaction making it more difficult to maintain relationships with customers, employees or suppliers; the effect of general economic conditions, including market demand for CanWel’s or Honsador’s products, and prices for such products; the availability, cost and other terms of capital; the efficiency and consequences of operations improvement initiatives; the effect of 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 statements or information, whether as a result of new information, future developments or otherwise, except as required by applicable law.

¹ The purchase price reflects customary post-closing adjustments.