



## Press Release

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### CANWEL BUILDING MATERIALS COMPLETES US\$56.6 MILLION ACQUISITION OF CALIFORNIA CASCADE INDUSTRIES

- CanWel enters the U.S. building products and pressure treated wood products markets
- \$40.25 million “bought deal” brokered private placement closed
- \$11.93 million concurrent non-brokered private placement including insiders completed

**VANCOUVER, CANADA** – July 2, 2015 – CanWel Building Materials Group Ltd. (“CanWel” or “the Company”) (TSX:CWX) is pleased to announce it has completed its previously announced acquisition of California Cascade Industries (“CCI”) (the “**Acquisition**”), and its previously announced private placement of 8,050,000 subscription receipts (“**Subscription Receipts**”) at a price of \$5.00 per Subscription Receipt for gross proceeds of \$40,250,000 (the “**Private Placement**”) pursuant to a bought deal underwritten by a syndicate of underwriters led by GMP Securities L.P., and including Raymond James Ltd., Canaccord Genuity Corp., Haywood Securities Inc., and Cormark Securities Inc. (the “**Underwriters**”). Proceeds raised under the Private Placement are inclusive of an additional \$5,250,000 raised in connection with the exercise in full by the Underwriters of their option to arrange for the purchase of an additional 1,050,000 Subscription Receipts. The Company is also pleased to announce that it has completed its previously announced non-brokered concurrent private placement of 2,385,000 Subscription Receipts (the “**Concurrent Private Placement**”) to certain insiders of the Company for proceeds of \$11,925,000, under the same terms as the Private Placement. In connection with the Acquisition, certain sellers of CCI have elected to receive US\$15 million of CanWel common shares (representing 3,224,087 common shares) as partial consideration under the Acquisition and will remain with CCI for two years. Concurrent with the closing of the Acquisition, the Subscription Receipts issued pursuant to the Private Placement and Concurrent Private Placement were converted into a total of 10,435,000 common shares of the Company in accordance with their terms.

“I am pleased to acquire such a strong fit with CanWel in California Cascade Industries. CanWel enters the U.S. markets on solid footing, while our successful Private Placement enables CanWel to stay on course with its well calculated growth strategy in strong markets such as California and the western United States,” said Amar S. Doman. “I would like to welcome Mr. Stuart Heath and the entire CCI team to CanWel.”

The net proceeds of the Private Placement and of the Concurrent Private Placement will be used to pay the cash portion of the purchase price for the Acquisition and expenses associated with the Acquisition, the Private Placement, to repay certain indebtedness and for general corporate purposes.

California Cascade Industries has been offering innovation and quality in the building products industry since 1974, servicing California, Arizona and Nevada from its facilities in Sacramento, CA and Fontana, CA by rail and with its own trucking fleet. CCI offers an extensive selection of products including treated wood, Redwood, Cedar, fascia, and special offerings of branded products to a broad array of customers.

The United States has always been an attractive extension of our growth strategy and this is an opportune time to enter the marketplace,” continued Amar S. Doman, Chairman and CEO of CanWel.

Given the participation of certain insiders of the Company, the Private Placement and Concurrent 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 and Concurrent Private Placement exceeds 25% of the Company’s market capitalization.

### **About CanWel Building Materials**

CanWel Building Materials trades on the Toronto Stock Exchange under the symbol CWX and is one of Canada’s largest national distributors in the building materials and related products sector, operating distribution centres coast to coast in all major cities and strategic locations across Canada. CanWel distributes a wide range of building materials, lumber and renovation products. Further information can be found in the disclosure documents filed by CanWel with the securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com).

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### **Forward Looking Statements**

Certain statements in this press release may constitute “forward-looking” statements including statements regarding the Company’s expectation regarding use of proceeds under the Private Placement and Concurrent Private Placement and the anticipated benefits of the Acquisition, Private Placement and Concurrent Private Placement. When used in this press release, such statements use words, including but not limited to, “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. These forward-looking statements reflect the current expectations of CanWel’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 CanWel, including the earnings cash flow from operations, dividends, leverage or EBITDA generated or paid by CanWel, 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 and there can be no assurance that the Acquisition, the Private Placement or the Concurrent Private will result in the anticipated benefits described.

These forward-looking statements speak only as of the date of this press release. CanWel 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.