



Press Release

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For Immediate Release

CANWEL BUILDING MATERIALS GROUP LTD. ANNOUNCES NORMAL COURSE ISSUER BID

Vancouver, Canada – November 22, 2018 - CanWel Building Materials Group Ltd. (“CanWel” or the “Company”) (TSX:CWX) announced that The Toronto Stock Exchange has accepted today CanWel’s notice of intention to proceed with a normal course issuer bid through the facilities of The Toronto Stock Exchange.

CanWel intends to purchase for cancellation up to 6,085,605 of its common shares by way of a normal course issuer bid through the facilities of The Toronto Stock Exchange. The 6,085,605 common shares represent approximately 10% of the public float per TSX policies. Pursuant to such TSX policies, daily purchases made by CanWel will not exceed 41,551 common shares or 25% of the average daily trading volume of 166,205 common shares on the TSX, subject to certain prescribed exceptions. As of November 22, 2018, there were 77,744,598 issued and outstanding common shares of CanWel.

Although CanWel intends to purchase common shares for cancellation under its normal course issuer bid, there can be no assurances that any such purchases will be completed. Such purchases, if any, may commence on November 26, 2018 and will terminate on November 25, 2019, or on such earlier date as CanWel may complete its purchases pursuant to the notice of intention filed today with The Toronto Stock Exchange or provide notice of termination. Any such purchases will be made by CanWel at the prevailing market price at the time of acquisition and through the facilities of The Toronto Stock Exchange.

CanWel believes that the market price of the common shares may, at certain times throughout the duration of the normal course issuer bid, be undervalued based solely on CanWel’s opinion.

To the best of the knowledge of the directors and senior officers of CanWel, no director, senior officer, associate of a director or senior officer, or person holding 10% or more of the common shares of CanWel intends at present to sell common shares during the course of this bid. However, sales by such persons through the facilities of The Toronto Stock Exchange or elsewhere may occur as the personal circumstances or decisions of any such person, unrelated to the bid, determine. The benefits to any such person whose common shares are purchased would be the same as the benefits available to all other holders whose common shares are purchased.

The Company also announced approval from the TSX for an Automatic Share Purchase Plan (“Plan”) commencing on November 26, 2018, which will enable the Company to continue purchasing common shares under the normal course issuer bid during Company-imposed blackout periods. Purchases will be made on the TSX as well as other Canadian marketplaces.

The Plan will co-terminate with the expiry of the NCIB at the close of business on, November 25, 2019, and, subject to pre-determined pricing and volume restrictions imposed by the Company, to the rules and policies of the TSX and to the specific terms of the NCIB, all trades under the Plan are entirely at the broker’s discretion.

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 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. Further information can be found in the disclosure documents filed by CanWel with the securities regulatory authorities, available at www.sedar.com.

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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”, “would”, “should”, “expect”, “believe”, “plan”, “intend”, “anticipate”, “predict”, “remain”, “estimate”, “potential”, “continue”, “could”, “might”, “project”, “targeting”, “future” and other similar terminology or the negative or inverse of such words or 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 cash flow from operations, dividends or EBITDA⁽¹⁾ 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. These factors include but are not limited to: (i) fluctuations in the market price of the Company’s common shares from time to time, (ii) the availability of funding under CanWel’s existing senior credit facility to finance acquisitions of common shares of the Company, (iii) the risk that the CanWel may not be able to complete or operate the lumber pressure treating plant and related equipment and business formerly owned by Superior Forest Products, Inc. and affiliates (the “Plant”) on terms and conditions satisfactory to it, or at all, or at a cost satisfactory to it; (iv) the risk that CanWel may not be able to obtain the final permits and operational authority to operate the Plant on the terms and conditions satisfactory to it, or at all, or at a cost satisfactory to it; (v) the risk that the construction and completion of the Plant expected in Q4 2018 or integration of the Plant in quarter 2, 2018, the acquisition of Honsador Acquisition Corp (“Honsador”) in quarter 3, 2017, the assets of Total Forest Industries Ltd. (“TFI”) in quarter 3, 2016, Jemi Fibre Corp. (“Jemi”) in quarter 2, 2016, or the assets of California Cascade Industries and California Cascade-Fontana, Inc. (“CCI”) in quarter 3, 2015, (collectively, the “Acquisitions”) may result in significant challenges, and management of CanWel may be unable to accomplish the integration of the Acquisitions smoothly or successfully or without spending significant amounts of time, money or other resources thereon; any inability of management to successfully integrate the operations of the combined business, including, but not limited to, sales and marketing, operations, information technology, financial reporting systems or environmental matters, any of which could have a material adverse effect on the business, financial condition and results of operations of CanWel, thereby impacting CanWel’s ability to make purchases under the normal course issuer bid; (vi) the risk that revenues, profits and margins of the Company may not

remain consistent with historical levels, thereby impacting CanWel's ability to make purchases under the normal course issuer bid; (vii) 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 and existing customers or suppliers of Honsador, TFI, Jemi or CCI (some of whom are competitors of CanWel) will cease doing business with the Company, in each case reducing, eliminating or reversing any potential positive economic impact on CanWel of the Acquisitions, and thereby impacting CanWel's ability to make purchases under the normal course issuer bid; (viii) the risk that any increased sales, margin, profit or distributable cash resulting from the Acquisitions may not be fully realized, realized at all or may take longer to realize than expected, thereby impacting CanWel's ability to make purchases under the normal course issuer bid; (ix) the risk of disruption from the integration of the Acquisitions making it more difficult to maintain relationships with customers, employees or suppliers, thereby impacting CanWel's ability to make purchases under the normal course issuer bid; and (x) additional risks and uncertainties affecting the Company, any of which may impact upon, among other things, the number of common shares, if any, to be acquired by CanWel pursuant to the above notice of intention. Factors also 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, product liability risks, environmental risks, regulatory risk, trade and tariff risks, differing law or regulations across jurisdictions, volatility of commodity prices, inventory risks, resource industry risks, resource extraction risks, risks relating to remote operations, forestry management and silviculture risks, fire, flood and natural disaster risks, customer and vendor risks, contract performance risks, acquisition and integration risks, availability of credit, credit risks, performance bond risks, litigation risks and interest rate risks. A further description of these and other risks which could cause results to differ materially from those described in these forward-looking statements can be found in the periodic and other reports filed by CanWel with Canadian securities commissions and available on SEDAR (<http://www.sedar.com>). 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 and US economies, the relative stability of or level of interest rates, exchange rates, volatility of commodity prices, availability or 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 Acquisitions, the ability of the Company to refinance its debts as they mature, the Canadian and United States housing and building materials markets; international trade and tariff risks, political risks, 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 the US, and abroad, discretionary spending, and unemployment levels. There is a risk that some or all of these assumptions may prove to be incorrect. 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. There are numerous risks associated with an investment in the Company's common shares, which are also further described in the "Risk Factors" sections of the Company's annual information form dated March 29, 2018 as well as 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.

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- (1) In the discussion, reference is made to EBITDA, which represents earnings from continuing operations before interest, including amortization of deferred financing costs, provision for income taxes, depreciation and amortization. This is not a generally accepted earnings measure under IFRS and does not have a standardized meaning under IFRS, and therefore the measure as calculated by the Company may not be comparable to similarly-titled measures reported by other companies. EBITDA is presented as we believe it is a useful indicator of a Company's ability to meet debt service and capital expenditure requirements and because we interpret trends in EBITDA as an indicator of relative operating performance. EBITDA should not be considered by an investor as an alternative to net earnings or cash flows as determined in accordance with IFRS. For a reconciliation of EBITDA to the most directly comparable measures calculated in accordance with IFRS refer to "Reconciliation of Net Earnings to Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) and Adjusted EBITDA⁽²⁾".
 - (2) In the discussion, reference is made to Adjusted EBITDA, which is EBITDA as defined above, before certain non-recurring or unusual items. This is not a generally accepted earnings measure under IFRS and does not have a standardized meaning under IFRS. The measure as calculated by the Company may not be comparable to similarly-titled measures reported by other companies. Adjusted EBITDA is presented as we believe it is a useful indicator of the Company's ability to meet debt service and capital expenditure requirements from its regular business, before non-recurring items. Adjusted EBITDA should not be considered by an investor as an alternative to net earnings or cash flows as determined in accordance with IFRS. For a reconciliation from Adjusted EBITDA to the most directly comparable measures calculated in accordance with IFRS refer to "Reconciliation of Net Earnings to Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) and Adjusted EBITDA".