



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

## Press Release



### CANWEL COMPLETES ACQUISITION OF JEMI FIBRE CORP.

VANCOUVER, BRITISH COLUMBIA—(Marketwired – May 13, 2016) –

CanWel Building Materials Group Ltd. (“**CanWel**”) (TSX: CWX) and Jemi Fibre Corp. (“**Jemi Fibre**”) (TSXV: JFI) are pleased to announce the completion of the acquisition of Jemi Fibre by CanWel by way of a court-approved plan of arrangement (the “**Arrangement**”) under the *Business Corporations Act* (British Columbia).

Pursuant to the Arrangement, CanWel acquired ownership of 78,748,593 common shares of Jemi Fibre (each a “**Jemi Share**”), being 100% of the issued and outstanding Jemi Shares, in exchange for the issuance of an aggregate of 2,529,405 common shares of CanWel (each a “**CanWel Share**”), representing an exchange ratio of 31.13 Jemi Shares for one CanWel Share. The consideration received by shareholders of Jemi Fibre represents \$0.167 per Jemi Share, based on the closing price of the CanWel Shares on the TSX on May 12, 2016, the day prior to the completion of the Arrangement. As a result of the Arrangement, Jemi Fibre is now a wholly-owned subsidiary of CanWel.

The Jemi Shares are expected to be delisted from the TSX Venture Exchange in due course and CanWel intends to apply for Jemi Fibre to cease to be a reporting issuer.

In connection with the completion of the Arrangement, the net proceeds of CanWel’s previously announced private placement (the “**Private Placement**”) were released from escrow to CanWel. The Private Placement was comprised of 6,100,750 subscription receipts (“**Subscription Receipts**”) issued at a price of \$4.10 per Subscription Receipt and had previously closed on March 30, 2016. In accordance with the terms of the Subscription Receipts, each Subscription Receipt has been automatically exchanged for one CanWel Share. The CanWel Shares issued in exchange for the Subscription Receipts have been listed on the Toronto Stock Exchange.

Also in connection with the Arrangement, CanWel’s senior lenders have provided \$26 million in additional financing under the existing credit facility with CanWel, secured by certain assets of Jemi Fibre and CanWel (the “**Debt Financing**”). The net proceeds of the Private Placement and Debt Financing were used to partially refinance Jemi Fibre’s senior indebtedness and to provide for transaction costs and working capital.

Amar Doman, Chairman and CEO of CanWel, commented “We are pleased to have successfully completed the acquisition of Jemi Fibre and look forward to integrating the team and operations onto our platform, and continuing the growth trajectory of the business. I would like to personally welcome Mike Jenks and the entire Jemi Fibre team to CanWel.”

Jemi Fibre is a vertically-integrated forest products company that operates primarily in British Columbia and Saskatchewan. Jemi Fibre owns approximately 136,000 acres of private timberlands, strategic Crown licenses and tenures, log harvesting and trucking operations, several post and pole peeling facilities, two pressure-treated specialty wood production plants, and one specialty saw mill. The Arrangement will combine Jemi Fibre’s operations with CanWel’s well-established Canadian platform.

CanWel’s registered office is located at Suite 1500, 570 Granville Street, Vancouver, British Columbia, V6C 3P1, and its head office is located at Suite 1100, 1055 West Georgia, Vancouver, British Columbia, V6E 3P3.

### **About CanWel**

Founded in 1989, CanWel is headquartered in Vancouver, British Columbia and 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. CanWel operates multiple treating plant and planning 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. For more information, visit [www.canwel.com](http://www.canwel.com). 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).

### **About Jemi Fibre**

Jemi Fibre is a Western Canadian based forest products company and wholly-owned subsidiary of CanWel. Jemi Fibre’s operations consist of timber ownership and management of private timberlands and Crown forest licenses, full service logging and trucking operations, post-peeling and wood treatment operations for the agricultural market and specialty lumber manufacturing.

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

Ali Mahdavi  
Investor Relations  
416-962-3300  
[ali.mahdavi@canwel.com](mailto:ali.mahdavi@canwel.com)

### **Cautionary Statements Regarding Forward-Looking Statements**

Certain statements in this press release may constitute “forward-looking” statements including statements regarding the Arrangement and the Private Placement, the delisting of the Jemi Shares from the TSXV and Jemi Fibre ceasing to be a reporting issuer. In addition, 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 delist the Jemi Shares, risk that the existing and acquired businesses will not be integrated successfully; the risk that cost savings and synergies expected to result from the Arrangement may not be fully realized or may take longer to realize than expected; disruption from the Arrangement 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 Jemi Fibre’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 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. Neither CanWel nor Jemi Fibre undertake, and each of them specifically disclaim, 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.