



**CANWEL BUILDING MATERIALS GROUP LTD. ANNOUNCES CLOSING OF
BOUGHT DEAL EQUITY FINANCING AND EXERCISE IN FULL OF OVER-
ALLOTMENT OPTION FOR GROSS PROCEEDS OF APPROXIMATELY
\$40.25 MILLION**

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VANCOUVER, CANADA – April 18, 2017 – CanWel Building Materials Group Ltd. (“CanWel” or the “Company”) (TSX:CWX) announced today that it has closed its bought deal offering (the “Offering”) of 6,598,470 common shares of the Company (the “Shares”) (including Shares issued pursuant to the exercise in full of the over-allotment option granted by the Company to the Underwriters (as hereinafter defined)) at a price of \$6.10 per Share for total gross proceeds of \$40,250,667.00. The Offering was underwritten by a syndicate of underwriters led by GMP Securities L.P., and including National Bank Financial Inc., Canaccord Genuity Corp., Haywood Securities Inc., Raymond James Ltd., and Cormark Securities Inc. (collectively, the “Underwriters”).

The net proceeds of the Offering will be used initially to fund a reduction of the Company’s revolving credit facility, which is expected to be drawn in the future to fund potential acquisitions, and for working capital and general corporate purposes. Specifically, the Company is evaluating additional acquisitions of U.S. and Canadian pressure-treated wood operations and expects to announce any acquisitions in due course once definitive agreements are reached.

The securities offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

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 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 Jemi 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.

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Cautionary Statements

Certain statements in this press release, including but not limited to, statements about the Company's expectations regarding the announcement of acquisitions, 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 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 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 would 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, environmental 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 disasters risks, customer and vendor risks, acquisition and integration risks, availability of credit, credit risks, litigation risks, interest rate risks, regulatory risks and employee retention 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 the Company with the 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. Some of the key assumptions include, without limitation, assumptions regarding the performance of the Canadian or U.S. economies, the relative stability of or level of interest rates, exchange 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 plan, the ability of the Company to refinance its debts as they mature, capital and loan availability, the Canadian or U.S. housing and building materials markets; 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 Shares, which are also further described in the "Risk Factors" section of the Company's annual information form dated March 30, 2017 and 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.