



Press Release

NOT FOR RELEASE OR DISSEMINATION INTO THE UNITED STATES

CANWEL BUILDING MATERIALS ANNOUNCES QUARTERLY DIVIDEND

VANCOUVER, December 14, 2018 – CanWel Building Materials Group Ltd. (“CanWel” or “the Company”) (TSX:CWX, CWX.NT.A) is pleased to announce that its Board of Directors has declared a quarterly dividend of \$0.14 per share, for the 27th consecutive quarter, which will be paid on January 15, 2019, to shareholders of record on December 31, 2018.

About CanWel

Founded in 1989, CanWel is headquartered in Vancouver, British Columbia and trades on the Toronto Stock Exchange under the symbols CWX and CWX.NT.A 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), Sacramento, 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.

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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 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, including sales, earnings, cash flow from operations, dividends or EBITDA⁽¹⁾ generated or paid by the Company, 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) the risk that the Company may not be able to operate the lumber pressure treating plant and related equipment and business formerly owned by Western Wood Treating, Inc. (the “Plant”) or integrate the Plant into its operations successfully, or without negative impact on its business, or without requiring spending significant or unexpected amounts of time, money or other resources thereon, or at all; (ii) the risk that the Company may not be able to obtain the final permits and operational authority to operate the Plant, or on terms and conditions or at a cost satisfactory to it, or at all; (iii) the risk that the construction and completion of the Company’s plant in Oregon (originally announced in quarter 2, 2018 (the “Oregon Plant”)) expected to be in Q4 2018, may not be able to completed or operated within expected timelines or costs, or on other terms, conditions or costs satisfactory to it, or at all; (iv) 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 with the Plant and the Oregon Plant, the “Acquisitions”) may result in significant challenges, and management of the Company may be unable to accomplish the integration of the Acquisitions smoothly or successfully or without spending significant or unexpected amounts of time, money or other resources thereon; (v) the risk that any inability of management to successfully integrate the operations of the businesses or combined businesses discussed above, including, but not limited to, operational, 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 the Company; (v) the risk that revenues, profits and margins are not as expected; (vi) 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 the Plant, Honsador, TFI, Jemi or CCI (some of whom are competitors of the Company) change, reduce or cease doing business with the Company, in each case reducing, eliminating or reversing any potential positive economic impact on the Company of the Acquisitions; (vii) 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; (viii) the risk of disruption from the introduction, implementation and/or integration of the Acquisitions making it more difficult to maintain relationships with customers, employees or suppliers; (ix) risks related to the operation of pressure treatment facilities, including but not limited to environmental and remediation risks, labour risks, risks related to maintenance capital expenditures for manufacturing and processing facilities and risks related to capital expenditures for environmental risks; and (x) the potential inability of CanWel to complete the formal documentation and satisfy the other conditions required to complete the Plant. As indicated above, completion of the transactions described herein are subject to various conditions, including (among others) obtaining related necessary governmental operating and regulatory permits and approvals. There can be no assurance that each of these conditions will be satisfied to the satisfaction of CanWel. Additional risks and uncertainties affecting the Company, which could cause results to differ materially from those described in these forward-looking statements, include, among others: regulatory and legal risk, increased debt and interest costs, general economic and business conditions, product selling prices, product performance, consumer preferences, design and liability risk, environmental risks, remediation risks, software and software design risk, commodity price fluctuations, information systems risk, interest rate changes, operating costs, political or economic instability in local or national markets, chemical or commodity prices, exchange rate risks for product inputs, tariffs and tax risks and general competitive conditions. 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 additional factors can be found in the periodic and other reports filed by the Company 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, relatively 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 market; the direct and indirect effect of the U.S. housing market and economy; 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; the effect of general economic conditions, including market demand for CanWel's or the Vendor's products, and prices for such products; the effect of forestry, land use, environmental and other governmental regulations; and the risk of losses from fires, floods and other natural disasters 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 or senior unsecured notes, 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.

(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".