

HDI Announces Normal Course Issuer Bid

Trading Symbol: Toronto Stock Exchange – HDI

Langley, B.C., January 8, 2020 / CNW/ – Hardwoods Distribution Inc. (“HDI” or the “Company”) is pleased to announce that the Toronto Stock Exchange (the “TSX”) has accepted a notice filed by the Company of its intention to make a Normal Course Issuer Bid (the “Bid”) to be transacted through the facilities of the TSX or any alternative Canadian trading system.

The notice provides that the Company may, during the period commencing on January 10, 2020 and ending on December 30, 2020, purchase up to 1,584,350 of its common shares (“Shares”) in total, being approximately 10% of the Company’s Public Float (as that term is defined in the policies of the TSX) based on 21,338,627 issued and outstanding Shares as at January 6, 2020. The price which the Company will pay for any such Shares will be the prevailing market price at the time of acquisition. The actual number of Shares which may be purchased pursuant to the Bid will be determined by management of the Company. All Shares will be purchased for cancellation.

Pursuant to TSX policies, the maximum number of Shares that may be purchased in one day pursuant to the Bid will be 9,708, representing 25% of the average daily trading volume of the Shares on the TSX. In addition, the Company may make, once per week, a block purchase of Shares not directly or indirectly owned by insiders of the Company, in accordance with TSX policies.

The Board of Directors believes the underlying value of the Company may not be reflected in the current market price of its Shares. As a result, depending upon future price movements and other factors, the Board believes that the purchase of the Shares would be in the best interests of the Company and its shareholders. Furthermore, the purchases are expected to benefit all persons who continue to hold Shares by increasing their equity interest in the Company when the repurchased Shares are cancelled.

Under the Company’s current normal course issuer bid that commenced February 5, 2019 and terminates January 9, 2020, the Company was authorized to purchase up to 1,612,147 Shares. Under that bid, the Company has purchased 287,980 Shares through open market purchases at a volume weighted average price of \$12.86 per Share.

In connection with the Bid, the Company will enter into an automatic share purchase plan (“ASPP”) with a designated broker. The ASPP is intended to allow for the purchase of Shares under the Bid at times when the Company would ordinarily not be permitted to purchase Shares due to regulatory restrictions and customary self-imposed blackout periods. Pursuant to the ASPP, before entering into a blackout period, the Company may, but is not required to, instruct the designated broker to make purchases under the Bid in accordance with the terms of the ASPP. Such purchases will be determined by the designated broker at its sole discretion based on purchasing parameters set by the Company in accordance with the rules of the TSX and any applicable alternative Canadian trading system, applicable securities laws and the terms of the ASPP. The ASPP will be in effect for the term of the bid.

About HDI

HDI is North America's largest distributor of architectural building products to the residential and industrial construction markets. The Company operates a North American network of 66 distribution centres, as well as one sawmill and kiln drying operation.

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