



Atlas Engineered Products to Acquire Highwood Trusses Located in Alberta and Appoints Capital Markets Veteran Kevin Smith to its Board of Directors

February 5, 2018 - Vancouver, British Columbia. **ATLAS ENGINEERED PRODUCTS LTD. (the “Company”) (TSX-V: AEP)**, a leading supplier of trusses and engineered wood products, is pleased to announce that it has entered into a binding letter of intent (LOI) with the shareholders of Highwood Trusses Ltd. (“**Highwood**”) whereby the Company has agreed to acquire all of the issued and outstanding shares of Highwood Trusses Ltd. (the “**Transaction**”).

Guy Champagne, President of Atlas, commented, “The acquisition of Highwood is another key step in our acquisition program to significantly broaden our geographic reach. We are extremely pleased to be acquiring Highwood as it is highly accretive and provides us with a strategic base from which to expand in Alberta.”

Highwood is located in High River Alberta and has over \$3.5 million in annual sales, strong profitability, and very capable operational leadership.

Terms of Transaction with Highwood

Under the binding LOI, the Company and Highwood have agreed to negotiate a definitive agreement (the “**Definitive Agreement**”) whereby the Company will acquire all of the issued and outstanding shares of Highwood for \$1,250,000 cash and issue 1,500,000 in common shares of the Company on closing of the Transaction. As additional consideration, the shareholders of Highwood will enter into a management agreement whereby on the first and second anniversary of closing of the Transaction, the shareholders of Highwood will receive (i) an additional \$250,000 and 385,000 share purchase warrants at an exercise price of \$0.65 per share, provided that Highwood achieves an EBITDA of \$450,000 during the first year, and \$500,000 during the second year. Each annual payment will be prorated based on actual EBITDA amount achieved in relation to the year’s target EBITDA amount.

The principal will enter into a three-year management contract. All agreements will include non-solicitation and non-competition clauses.

The Company will be entitled to carry out due diligence until February 28, 2018. Upon completion of due diligence, the parties will enter into the Definitive Agreement setting forth the terms and conditions of the Transaction by March 15, 2018. Completion of any transaction with Highwood is subject to a number of conditions, including but not limited to, completion of due diligence, negotiation of definitive agreements in respect of such a transaction and receipt of any required regulatory approvals. A transaction cannot be completed until these conditions are satisfied, and there can be no assurance that a transaction will be completed at all.

Director Appointment and Stock Options

The Company is also pleased to announce that capital markets veteran, Kevin Smith, was appointed as a member of its board of directors. Mr. Kevin Smith is Executive Vice-President and CFO for the Intracorp

Group of Companies, a real estate development company with headquarters in Vancouver and with operations across North America. Prior to joining Intracorp, Kevin served as the Executive Vice-President & Chief Financial Officer at Whistler Blackcomb Holdings Inc. During his time there he successfully led Whistler Blackcomb through an initial public offering (IPO) on the Toronto Stock Exchange in 2010 to create Whistler Blackcomb as a separate, publicly traded company from Intrawest. As a strategic leader at Whistler Blackcomb Holdings, he was responsible for all financial, legal, information technology, public company reporting, debt financing, commercial operations, investor relations, budgeting, cash management, tax planning & strategic business planning. Mr. Smith is currently a director of Lite Access Technologies Inc. (TSXV: LTE). Prior to Whistler Blackcomb, Kevin spent twelve years at Intrawest, holding several senior finance roles. Kevin is a CPA, CA and holds a Bachelor of Science degree from The University of British Columbia.

The Company also announces that it has granted a total of 450,000 stock options to its directors, officers, employees and consultants. The options are exercisable at a price of \$0.60 per share for a period of five years from the date of the grant and are subject to certain vesting requirements.

About Atlas Engineered Products Ltd.

Atlas Engineered Products is one of British Columbia's leading suppliers of trusses and engineered wood products. The company was formed over 18 years ago and operates manufacturing and distribution facilities in Nanaimo to meet the needs of residential and commercial builders. Atlas has expert design and engineering teams, a multiple-shift state-of-the-art truss manufacturing operation, and large inventories of engineered beam and flooring components. Atlas aims to grow its base of business across Canada by pursuing an aggressive acquisition and consolidation strategy. Atlas will continue to bring its construction industry partners unparalleled excellence in service, product, and support.

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Forward Looking Information

Information set forth in this news release contains forward-looking statements. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Company cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Such factors include, among other things: risks and uncertainties relating to the Company including those to be described in the Filing Statement filed by the Company on www.sedar.com. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information.

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