

SHELTER MODULAR SELLS RENTAL UNIT FLEET TO BLACK DIAMOND & ENTERS MULTI-YEAR SUPPLY AGREEMENT

ALDERGROVE, B.C. – October 3, 2016 – Shelter Modular Inc. ("Shelter"), is pleased to announce that it has closed the sale of its rental unit fleet to Black Diamond Group (TSX: BDI) ("Black Diamond"), a leading provider of workforce accommodation and modular rental buildings in Canada, for gross proceeds of \$1.3 million (the "Disposition"). In addition, Black Diamond has committed to purchase \$1.4 million of new manufactured modular units (~50 units) from Shelter over three years, with an expectation that these units will predominately be built in 2017.

The Disposition positions Shelter as a revitalized and better capitalized operation that will be solely focused on the design, engineering, permitting, manufacturing and installation of modular buildings using leading-edge technology and top-quality construction. Shelter is well-positioned with its 50,000 square foot operating plant in Southern B.C to continue to provide a broad range of newly manufactured modular products and custom-designed permanent structures to the Canadian marketplace. With a diverse customer base ranging from municipal and provincial governments, First Nations Groups and commercial / industrial (mining, forestry, oil & gas and agriculture) clients, to multi-family residential developers, Shelter is excited about its ability to continue to grow its market-share with respect to the manufacturing of modular buildings and permanent structures that utilize modular building technologies.

Kelly Meinema, Shelter's Chief Executive Officer, comments, *"We are pleased with the value created through the disposition of our rental fleet and look forward to utilizing the proceeds of this disposition to increase our pursuit of new manufacturing opportunities and to strengthen our overall operation. We are also excited about entering into a multi-year supply agreement with Black Diamond and establishing a new working relationship with such a highly regarded and actively growing provider of modular rental units."*

For more information regarding Shelter Modular, including its completed projects and new-build capabilities, please visit www.sheltermodular.com, or contact:

Kelly Meinema
Chief Executive Officer
(604) 856-1311
kelly@sheltermodular.com

Harold Clifford
Chief Corporate Development Officer
(604) 240-4974
hclifford@sheltermodular.com

Dan Anderson
Chairman of the Board
(403) 828-7771
dan@kcwellsite.com