

BLACK DIAMOND GROUP LIMITED

DIVIDEND REINVESTMENT PLAN

QUESTIONS AND ANSWERS

What is the Dividend Reinvestment Plan?

The Dividend Reinvestment Plan (the "Plan") of Black Diamond Group Limited ("Black Diamond") enables holders of common shares of Black Diamond (the "Shares") to acquire additional Shares by reinvesting all of their cash dividends.

What are the advantages of the Plan?

As Shares acquired under the Plan are from treasury and purchased directly from Black Diamond, participants in the Plan ("participants") do not pay trading fees or service charges of any kind, except in connection with the withdrawal of Shares from the Plan or the issuance of Share certificates. All other administrative costs of the Plan are borne by Black Diamond.

Full investment of all cash dividends is possible since fractional Shares will be credited to a participant's account.

Who is eligible to participate?

Any registered or beneficial holder of Shares who is a resident of Canada may participate in the Plan. Holders who are not residents of Canada may not participate in the Plan. Upon becoming a non-resident of Canada, the Administrator will automatically terminate the holder's participation in the Plan.

How does an eligible shareholder become a participant in the Plan?

A registered shareholder may enroll in the Plan by duly completing the enrollment form and returning it to Computershare Trust Company of Canada (the "Administrator") or by enrolling online through the Administrator's self-service portal at www.investorcentre.com. A completed enrollment form must be received by the Administrator no later than five business days prior to the applicable record date for any cash dividend in order for that dividend to be reinvested under the Plan.

To obtain an Enrollment Form, contact the Administrator at 1-800-564-6253, download the form at www.investorcentre.com, or available on our website at www.blackdiamondgroup.com. If a participant is a beneficial owner whose Shares are registered in the name of CDS Clearing and Depository Services Inc. ("CDS") or a name other than the participant's own name, he or she may participate in the Plan by (i) directing his or her broker to electronically transfer all or any number of whole Shares into his or her name and then enrolling such Shares in the Plan or (ii) making appropriate arrangements with the broker, investment dealer, financial institution or other nominee who holds the participant's Shares to enroll in the Plan on the participant's behalf. A beneficial owner of Shares should contact his or her nominee to confirm the process, inquire

about any fees the nominee may charge and confirm if any fractional Shares will be provided by the nominee.

Will it be possible for participants to receive a proportion of their dividends in cash and have the remainder reinvested?

No. 100% of a participant's cash dividends will be reinvested, which applies on an account-by-account basis.

Regular monthly statements of account will be mailed to each participant by the Administrator (or, in the case of beneficial owners, statements will be issued through their broker).

How will new Shares be purchased for participants?

Black Diamond will pay to the Administrator the cash dividends paid on the Shares registered in the name of a participant, in addition to the cash dividends paid on the Shares held by the Administrator for the account of a participant under the Plan. The Administrator will apply these funds to purchase Shares from Black Diamond which will then be held by the Administrator for the account of the participant.

What will be the price of new Shares purchased under the Plan?

Shares purchased under the Plan will be issued from treasury at a price per Share calculated by reference to the volume weighted average of the trading price for the Shares on the relevant stock exchange or marketplace for the five trading days immediately preceding the date the relevant dividend is paid by Black Diamond, less a discount, if any, of up to 5%, at Black Diamond's election. Black Diamond has set the initial discount at 3%. Black Diamond may, subject to the terms of the Plan, alter or eliminate this discount at any time.

How will Shares be held under the Plan?

Shares acquired by a registered holder under the Plan will be maintained in that holder's Plan account in non-certificated form. Shares purchased on behalf of beneficial owners of Shares who are participating in the Plan through their broker will be maintained in their broker's Plan account.

Will certificates be issued for the new Shares?

No. However, a registered shareholder may at any time obtain a certificate for any number of whole Shares held for the account of the participant under the Plan by notifying the Administrator over the internet, by telephone or in writing. Issuance of Share certificates may be subject to an additional fee. Participants should contact the Administrator to determine any applicable certificate issuance fee.

Are there restrictions on dealing with Shares purchased under the Plan?

Yes. Shares held for a participant's account may not be pledged. Therefore, prior to pledging Shares, a registered holder must request that a Share certificate be issued. Certificates will not be

issued for fractional Shares. Participants who are beneficial owners must make appropriate arrangements with the broker, investment dealer, financial institution or other nominee who holds the participant's Shares prior to such transactions.

How does a participant terminate participation in the Plan?

Participation in the Plan may be terminated at any time by providing written instruction to the Administrator. Registered holders can complete the termination portion of the voucher located on the reverse of your statement of account and deliver such document signed by the registered holder(s) to the Administrator (or in the case of beneficial owners, by making arrangements to terminate participation through their broker nominee nominee). Questions can be directed to the Administrator's Shareholder Inquiries department at 1-800-567-6253. When participation is terminated, or upon suspension or termination of the Plan by Black Diamond, the Administrator will continue to hold the participant's Shares unless he or she requests a Share certificate for any whole Shares and a cash payment, less any applicable fees, for any fractional Share based on prevailing market price.

When is termination effective?

A notice of termination, if actually received by the Administrator no later than five business days prior to a record date for a cash dividend, will have effect in respect of the dividend to be made as of such date. If the Administrator receives such notice less than five business days prior to a record date, the termination will not be effective until after the dividend.

What statements will be sent to participants?

After each dividend payment date, a statement of account will be mailed to each participant (or, in the case of CDS participants, beneficial holders should contact their intermediary to determine the procedures for requesting current statements). The statements are a continuing record of purchases made under the Plan and should be retained for tax purposes. In addition, Black Diamond will annually provide each participant with appropriate information for tax reporting purposes.

What are the tax consequences of participation in the Plan?

Dividend reinvestment pursuant to the Plan does not relieve participants of any tax consequences associated with such dividends. A summary explanation of the tax consequences of participation in the Plan can be found in section 16 of the Plan, under the heading "Income Tax Considerations Relating to the Plan". All participants are advised to consult with their own tax advisors to determine the particular tax consequences that may result from their participation in the Plan and the subsequent sale by them of Shares purchased pursuant to the Plan.

Where should further inquiries be directed?

Inquiries should be addressed to the Administrator as follows:

Internet: www.investorcentre.com/service

By telephone: *North America: 1-800-564-6253*

Outside of North America: 514-982-7555

By mail: *Computershare Trust Company of Canada
100 University Avenue, 8th Floor, North Tower Toronto
Ontario
M5J 2Y1*

Inquiries can also be addressed to Black Diamond as follows: By

telephone: *Black Diamond Group Limited
Investor Relations Specialist
587-233-7462*

By email: *investor@blackdiamondgroup.com*