MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine month periods ended September 30, 2015 and 2014

BLACK DIAMOND GROUP

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") compares the financial performance of Black Diamond Group Limited ("Black Diamond", the "Company", "our" and "we") for the three months ended September 30, 2015 (the "Quarter") with the three months ended September 30, 2014 (the "Comparative Quarter") and the nine months ended September 30, 2015 with the nine months ended September 30, 2014 (the "Comparative YTD"). This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Company for the three and nine months ended September 30, 2015 and 2014 and the audited consolidated financial statements of the Company for the years ended December 31, 2014 and 2013. The accompanying unaudited interim condensed consolidated financial statements of Black Diamond are prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A was prepared as of November 5, 2015 and, unless otherwise indicated, all amounts are stated in Canadian dollars. Black Diamond's common shares are listed on the Toronto Stock Exchange under the symbol "BDI".

Additional information relating to Black Diamond may be found on the Black Diamond website at www.blackdiamondgroup.com or on the System for Electronic Document Analysis and Retrieval at www.sedar.com ("SEDAR").

Certain information set forth in this MD&A contains forward-looking statements including management's assessment of Black Diamond's future operations, financial performance, business prospects and opportunities, including that additional future demand for Black Diamond's products and services will be generated through a positive final investment decision ("FID") on Pacific Northwest LNG ("PNW LNG"), dividend levels, forecasted capital expenditures and how such expenditures will be funded, and the Company's belief that it stands a high probability of winning at least its market share of the total number of beds related to LNG projects coming into the marketplace as set out under the heading "Economic Developments and Outlook". With respect to the forward-looking statements in the MD&A, Black Diamond has made assumptions regarding, among other things: that Black Diamond will continue to conduct its operations in a manner consistent with past operations, that counter-parties to contracts will perform the contracts as written and that there will be no unforeseen material delays in contracted projects. Although Black Diamond believes that the expectations reflected in the forward-looking statements contained in this MD&A, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurances that such expectations or assumptions will prove to be correct. Readers are cautioned that assumptions used in the preparation of such statements may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of Black Diamond. These risks include, but are not limited to: the impact of general economic conditions, industry conditions, fluctuation of commodity prices, the Company's ability to attract new customers, failure of counterparties to perform on contracts, industry competition, availability of qualified personnel and management, timely and cost effective access to sufficient capital from internal and external sources, political conditions, dependence on suppliers and stock market volatility. The risks outlined above should not be construed as exhaustive. Additional information on these and other factors that could affect Black Diamond's operations and financial results are included in Black Diamond's annual information form and other reports on file with the Canadian Securities Regulatory Authorities which can be accessed on SEDAR. Readers are cautioned not to place undue reliance on these forward-looking statements. Furthermore, the forward-looking statements contained in this MD&A are made as at the date of this MD&A and Black Diamond does not undertake any obligation to update or revise any of the forward-looking statements, except as may be required by applicable securities laws.

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EXECUTIVE SUMMARY

Workforce accommodation and lodging has borne the brunt of weak pricing across almost all commodity classes, which continues to negatively impact asset utilization and revenue. The energy market in western Canada remains extremely weak with very little forward visibility. We therefore have a pessimistic view of utilization rates in the near term. On the other hand, Black Diamond's space rental platform continues to benefit from its industrial and geographic diversification, and continues to see strong demand in the United States ("US") and eastern Canada.

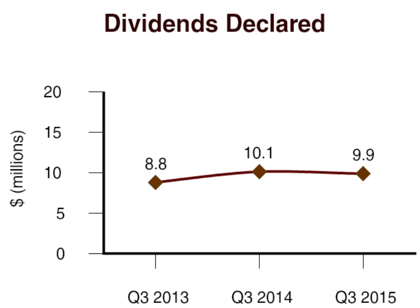
Despite the challenging environment in western Canada and Australia, Black Diamond's business platform continues to generate positive cash flow from a diverse array of assets serving multiple industries and geographies. Ongoing activity, while limited, continues to provide cash flow across our platform. We have streamlined our operations and reduced our dividend to be proactive and ensure our business is ready for 2016. The dividend reduction will reduce annual outgoing cash flows by approximately $15.0 million, will allow us to pay down debt, and position us for future opportunities.

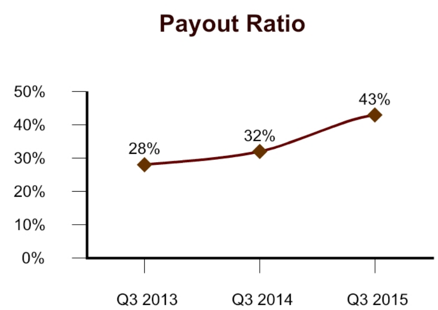
Business Reorganization

As of January 2016, Black Diamond will re-organize its North American business units to streamline its operations and gain efficiencies. A new Camps & Lodging business unit will combine the existing workforce accommodation division from the current Structures business unit and the lodging services business from the current Logistics business unit. A new BOXX Modular business unit, a diversified business currently benefiting from economic growth outside of the energy industry, will be broken out separately from the current Structures business unit and include the Canadian and US space rentals businesses. The Energy Services business unit will incorporate the US well site division which was previously included in the Structures business unit. The International business unit will remain the same. For more information please see the "Who We Are" section of this quarter's MD&A.

Dividend and Payout Ratio

The Payout Ratio (see "Non-GAAP Measures") for the Quarter increased to 43% compared with 32% during the same period last year as the result of lower distributable cash flow. To maintain financial flexibility and adjust our Payout Ratio to a sustainable level, Black Diamond will set its monthly dividend to 5 cents per share compared with 8 cents per share previously, for an annual reduction in outgoing cash flow of approximately $15.0 million. This will take effect for the November dividend paid on December 15, 2015 to shareholders of record on November 30, 2015. This will allow us to continue to run a conservative balance sheet which positions us for market opportunities as they arise.





2016 Capital Plan

The 2016 capital spending plan of $25.0 million will primarily support growth capital requirements for the space rentals business in the US and eastern Canada which benefits from broad exposure to multiple industrial segments. Consistent with prior years, the majority of this will be spent on growth capital, with approximately $3.0 million spent on refurbishment and capital maintenance. The 2016 capital plan will be generally non-speculative and support our overarching strategy to diversify our platform.

HIGHLIGHTS FOR THE QUARTER

- Revenue for the Quarter was $59.4 million, down 30% or $25.4 million from a year ago primarily due to the impact of low commodity prices on utilization and pricing in the Structures, Energy Services and International business units.

- Administrative expenses for the Quarter were $12.3 million, down 9% or $1.2 million primarily due to a decrease in personnel costs.

- Adjusted EBITDA (see "Non-GAAP Measures") for the Quarter was $19.2 million, down 44% or $15.0 million from a year ago due to the impact of low commodity prices on business activity in western Canada and Australia.

- Net income for the Quarter was $8.0 million, down 29% or $3.2 million from a year ago due to the reasons noted above offset by the gain from the sale of the construction services operation.

- At September 30, 2015, the Net Debt to Adjusted EBITDA ratio rose to 1.82 compared with 1.26 at December 31, 2014. This increase reflects the impact of weak commodity pricing on Adjusted EBITDA and growth capital expenditures including the Dawson Creek 1,244 bed camp.

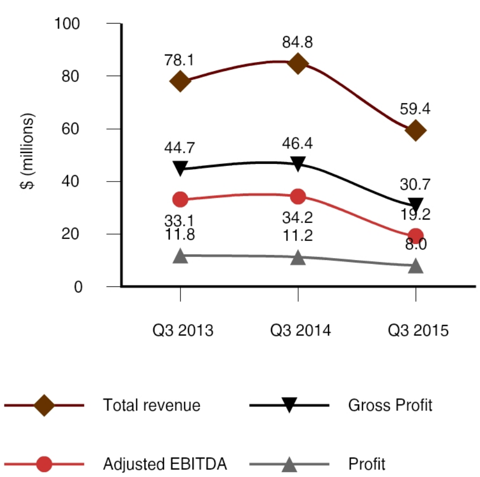
- Contracted future revenue at the end of the Quarter was $93.9 million, down 36% or $51.7 million from a year ago (Comparative Quarter - $145.6 million) due to lower end market activity resulting from lower commodity prices. For comparison, the contracted future revenue at the end of the second quarter of 2015 was $99.1 million. The slight decrease from the second quarter is due to normal course aging of existing contracts somewhat offset by a renewal and a new contract announced in the quarter for the SAGD oil sands region for 1,100 beds in aggregate.

- On July 31, 2015 Black Diamond sold its construction services operation to Northern Frontier Corp. (“Northern Frontier”) for base consideration of $9.8 million consisting of shares of Northern Frontier valued at $2.4 million and a promissory note of $7.4 million. The gain on sale recorded in the Quarter was $8.8 million after transaction costs. The potential earn-out of $11.6 million has not been recognized at this point in time.

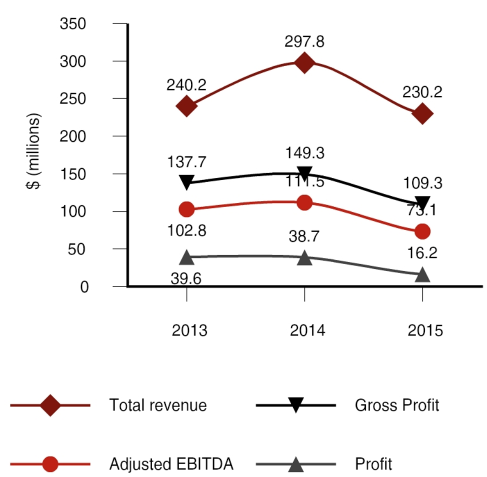
- Black Diamond entered into a lease buy back on 53 well site accommodation units in North Dakota and immediately signed them to a two year rental contract which immediately increased contribution.

Financial Highlights

Three Months Ended September 30, Financial Highlights



Nine Months Ended September 30, Financial Highlights



Capital Spending

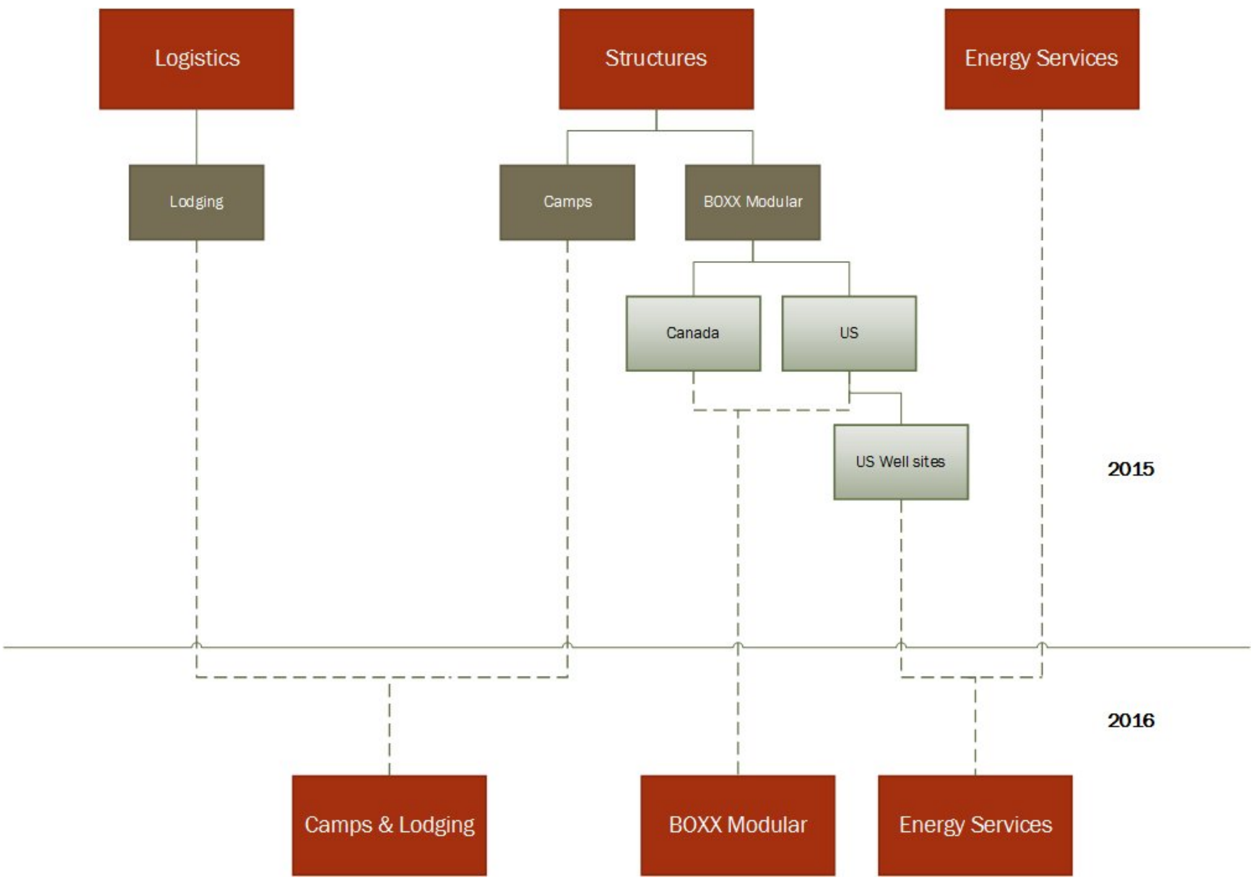
Capital expenditures for the Quarter were $12.0 million compared with $34.9 million for the Comparative Quarter. During the Quarter Black Diamond entered into a lease buyback arrangement for well site accommodation units in the US which were immediately rented out on contract for 24 months. The total capital cost recorded for the lease buy back was $7.6 million, but the actual cash outlay for the transaction was $3.7 million.

Year to date capital expenditures have been $48.1 million compared with $73.5 million at the same time last year. Of the $50.0 million capital plan for 2015, Black Diamond has spent $44.2 million in cash outlays with another $1.0 million in outstanding capital commitments as at September 30, 2015. We expect full year 2015 capital expenditures to be approximately in line with the announced $50.0 million capital budget for the year.

WHO WE ARE

Black Diamond rents and sells modular workforce accommodation and space rental solutions to customers in Canada, the United States and Australia. In addition to providing turnkey lodging and other support services related to remote workforce accommodation and space rentals, we also provide specialized field rentals to the oil and gas industries of Canada and the United States. From twenty locations, we serve multiple sectors including oil and gas, mining, power, construction, engineering, military, government and education.

As of January 2016, Black Diamond will re-organize its North American business units to streamline its operations and gain efficiencies. A new Camps & Lodging business unit will combine the existing workforce accommodation business from the current Structures business unit and the lodging services business from the current Logistics business unit. A new BOXX Modular business unit, a diversified business currently benefiting from economic growth outside of the energy industry, will be broken out separately from the current Structures business unit and include the Canadian and US space rentals businesses. The Energy Services business unit will incorporate the US well site business which was previously included in the Structures business unit. The International business unit will remain the same.



Black Diamond was founded in 2003, went public on the Toronto Stock Exchange in 2006 as Black Diamond Income Fund (an income trust), converted to an Alberta corporation at the end of 2009, and is currently listed on the Toronto Stock Exchange. Our head office is located at Suite 2000, 715 – 5th Avenue S.W., Calgary, Alberta, Canada.

BLACK DIAMOND'S STRATEGY

At its core, Black Diamond is a business-to-business renter of specialized equipment. Our team's extensive experience within the rental categories we operate, and our expertise in managing the logistics and supply chain for these assets, enable us to deliver higher returns on capital while also helping our clients meet their project objectives.

The members of our commercial management team, averaging more than 20 years of industry experience, have built a business platform around a concerted approach to capital allocation, risk management, business diversification and asset management.

Asset Management

Since 2003 we have built a rental fleet with a current net book value of more than $500 million that consists of remote workforce accommodation, space rental and surface rental assets. To ensure we are managing our assets (and capital) efficiently, the return targets we set for our business units are based on the original cost of their asset base. This creates discipline around the aging of our rental fleet, encouraging managers to regularly sell older, less economic rental assets on the secondary market, and replenish those with new rental assets. Generally, we sell our used assets for more than their book value and this is recorded as "non-rental" revenue, with the book value of the asset recorded as a non-cash item in our consolidated statement of cash flows.

Integrated Revenue Model

In addition to owning specialty rental assets, Black Diamond provides the support services for these assets including transportation, installation, catering, power, water, waste management, security, and housekeeping through sub-contracted third party service providers. In doing so, we maximize the return on our assets while mitigating the overhead risks associated with performing these services ourselves.

Business Diversification

We have been actively working to diversify Black Diamond's business with respect to geographies, the types of assets and services offered, and variety of customers and industries served. Our entries into Australia and the United States in previous years were predicated on the fundamental belief that this diversification strategy can help mitigate volatility during a downturn in any one geography, commodity or asset class.

Capital Allocation

We are focused on achieving industry leading returns on the capital we deploy. Our approach is to own quality rental assets and, through aggressive sales and disciplined management, realize a target return on capital invested in these rental assets through rental revenue, and the sale of associated services (lodging and non-rental revenue).

Achieving this is only possible through focus, efficiency and effective third party contracting. This means that we outsource functions that are not core to Black Diamond's expertise or where the capital risk is deemed high such as manufacturing, construction, catering, camp services, and any other functions that, while lucrative in a strong economy, might represent significant downside risk through the troughs of a commodity cycle.

Risk Management

Through careful selection and contracting with Black Diamond's counterparties, our management team strives to share risk appropriately, and promote mutually beneficial outcomes with both vendors and customers. Where capital is being deployed, our preference is to tie that capital to a long-term customer commitment. Doing so allows us to offer our customers lower rates in return for the certainty of increased asset utilization. This ensures we attain our targeted return on capital, and our customers achieve price certainty relative to spot rates for rental assets.

ECONOMIC DEVELOPMENTS AND OUTLOOK

Black Diamond's space rental platform continues to benefit from its industrial and geographic diversification, and continues to see strong demand in the US and eastern Canada. Workforce accommodation and lodging, on the other hand, has borne the brunt of weak pricing across most commodity classes, resulting in the on-going negative impact on asset utilization and revenue.

Utilization Impacted by Oil Bear Market

Many oil exploration and production companies operating in western Canada have announced capital expenditure reductions as a result of the current decline in oil prices. In general, lower capital spending from oil exploration and production companies negatively affects Black Diamond's near term growth prospects from this sector by reducing overall utilization.

The current condition of the oil sector is reflected in the future contracted revenues of our Structures and Logistics business units, which declined year-over-year by 21% and 70%, respectively, as at September 30, 2015.

The competitive environment and its impact on our rental rates can be divided into three categories:

1. Where projects require new capital to be deployed, the rate of return, term of contract and pay back periods are consistent with the Company's historical results;
2. On contract renewals, where our assets are already on location, the cost to demobilize and replace those assets represent a significant barrier to entry for competitive products, offering some price certainty; and
3. Assets in our inventory, which in some areas are currently facing an oversupply in the marketplace, must compete in the environment they are in. We do anticipate some softening of rental rates on pre-existing assets in areas experiencing a commodity down-turn.

Long-term, the cadence of projects in western Canada going into construction will likely be slow until oil prices recover to levels that support the economics of the region's oil sector.

Natural Gas Activity

While the price of natural gas has gone through a similar decline as crude over the last two years, the difference is that natural gas pricing, until recently, was above the average half cycle (operational costs only) break-even point for Canadian natural gas plays. The recent dip in natural gas pricing is being driven by growing inventories and a warm winter forecast. With some plays in North Eastern British Columbia still economic, activity related to the exploration and production of natural gas is likely to continue in certain geographic areas. However, further capital commitments in Alberta are unlikely until uncertainty around royalty and carbon costs are resolved.

Liquefied Natural Gas ("LNG") Projects

Several oil and gas industry participants have announced their intention to export LNG from the west coast of Canada. Of the 19 LNG export projects proposed for British Columbia, the two projects that would be expected to have an impact on Black Diamond's operations within the next 12 to 24 months are Pacific Northwest LNG led by Petronas, and LNG Canada led by Shell. The information provided below is general in nature and should not be construed as guidance on what contracts, if any, will be awarded to Black Diamond. All relevant sources are hyperlinked in the PDF version of this MD&A.

Pacific Northwest LNG

PNW LNG, led by Petronas, is a proposed LNG export facility on Lelu Island just outside of Port Edward on the coast of British Columbia. On June 11, 2015, PNW LNG announced that the required technical and commercial components of the project had been satisfied and that PNW LNG had resolved to move forward with a positive FID, subject to two conditions:

1. Approval of the Project Development Agreement by the Legislative Assembly of British Columbia, which subsequently occurred on July 21, 2015; and
2. A positive regulatory decision on PNW LNG's environmental assessment from the Canadian Environmental Assessment Agency ("CEAA"), which temporarily halted its review of PNW LNG's application on June 2, 2015 (day 263 of the 365-day process).

The LNG facility on Lelu island would require accommodation for between 3,500 and 4,500 construction workers at peak according to the PNW LNG Project Design Mitigation report filed with the CEAA on October 6, 2014.

The Prince Rupert Gas Transmission Pipeline ("PRGT") would require a total of nine land based camps. According to a report dated April 2015 entitled All About Construction Camps, each camp would require initial capacity for between

200-400 workers very shortly after an unconditional FID, and would then peak at roughly 1,100 people roughly one year after FID.

LNG Canada

LNG Canada, led by Shell, is a proposed LNG export facility in the port of Kitimat on British Columbia's coast. In June, LNG Canada received both provincial and federal environmental approval contingent on 24 and 50 conditions, respectively. While public statements by Shell indicated that an FID could come as early as April 2016, the recent decision to reroute the pipeline right-of-way around an area that was being blocked by the Unist'ot'en first nation could push this time line back to accommodate the requisite environment assessments for the new route.

According to the LNG Canada Plant Environmental Assessment Certificate Application, dated October 2014, the plant's construction will require temporary accommodation for a workforce of between 4,500 and 7,500 at peak.

Coastal GasLink Pipeline's Application for an Environmental Assessment Certificate, dated March 2014, outlines a peak requirement for ten temporary workforce accommodation camps with a combined total of 7,350 beds.

United States Economy on the Upswing

Black Diamond's US revenue for the Quarter was $8.8 million, up 2% from $8.7 million for the Comparative Quarter and was $25.2 million year to date, up 36% from $18.5 million a year ago. The increase YTD in the US is due to growth in space rentals, well site accommodation rentals and related services. The increase in space rentals is due to increased levels of construction activity in the US, particularly along the Gulf Coast and in Florida.

Eastern Canada Positioned to Benefit from Weak Oil Prices and Dollar

Low oil prices and a weak Canadian dollar are expected to stimulate the economies of those provinces that lie outside of oil producing areas. The Structures business unit's eastern Canadian space rentals business is expected to benefit from this dynamic.

Australia Still Challenged by Soft Mining Sector

Ongoing weakness in the Australian resource and energy sectors is continuing to negatively impact demand for workforce accommodation units in the region.

SELECTED FINANCIAL INFORMATION

The following is a summary of selected financial and operating information that has been derived from, and should be read in conjunction with the unaudited condensed interim consolidated financial statements of Black Diamond for the three and nine month periods ended September 30, 2015 and 2014.

	Three months ended September 30,			Nine months ended September 30,		
(in thousands, except as noted)	2015	2014	Change	2015	2014	Change
Financial Highlights	$	$	%	$	$	%
Total revenue	59,364	84,784	(30)%	230,199	297,753	(23)%
Gross Profit	30,662	46,352	(34)%	109,293	149,308	(27)%
Administrative Expenses	12,283	13,482	(9)%	39,166	41,572	(6)%
Adjusted EBITDA (1)	19,230	34,241	(44)%	73,112	111,525	(34)%
Profit before taxes	10,722	17,459	(39)%	30,419	56,718	(46)%
Profit	7,966	11,190	(29)%	16,152	38,653	(58)%
Earnings Per share - Basic	0.19	0.26	(27)%	0.39	0.91	(57)%
- Diluted	0.19	0.26	(27)%	0.39	0.89	(56)%
Capital expenditures	11,979	34,917	(66)%	48,101	73,495	(35)%
Property & equipment (NBV)	554,984	509,724	9%	554,984	509,724	9%
Total assets	682,682	695,767	(2)%	682,682	695,767	(2)%
Long-term debt	185,544	137,917	35%	185,544	137,917	35%
Dividends declared	9,865	10,079	(2)%	29,588	29,226	1%
Per share ($)	0.24	0.24	—%	0.48	0.69	(30)%
Payout Ratio (1)	43%	32%		42%	28%	

(1) Adjusted EBITDA and Payout Ratio are supplemental non-IFRS measurements and do not have a standardized meaning prescribed by IFRS. Therefore, Adjusted EBITDA and Payout Ratio may not be comparable to similar measures presented by other issuers. See “Non-GAAP Measures” for further details.

Margin Analysis

	Three months ended September 30,			Nine months ended September 30,		
(Percent of revenue)	2015	2014	Change (1)	2015	2014	Change (1)
Gross Profit	52%	55%	(3)	47%	50%	(3)
Administrative Expense	21%	16%	5	17%	14%	3
Adjusted EBITDA	32%	40%	(8)	32%	37%	(5)

(1) Percentage point basis.

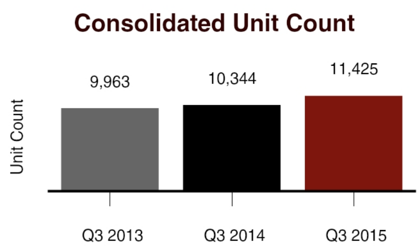
Seasonality of operations

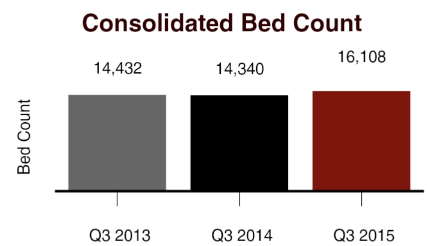
The Company believes that its western Canadian operations, which form part or all of its Structures, Energy Services and Logistics business units, are exposed to a variable degree of seasonality. Drilling accommodations and surface rental assets of the Energy Services business unit have higher utilization rates during the fall and winter months when drilling activity is higher than during the spring and summer months. Similarly, operations levels at camps operated by the Logistics business unit are generally higher in the winter. Though the Structures business unit has some exposure to the seasonality experienced in the western Canadian oil and natural gas drilling industry, seasonality has been actively managed and reduced due to increased exposure to the oil sands and mining sectors, which operate year round. In addition, Black Diamond actively pursues long-term rental contracts in all of its business units to neutralize the effect of seasonality on revenue.

CONSOLIDATED FINANCIAL AND OPERATIONAL REVIEW

Consolidated Fleet

The consolidated number of rental units in Black Diamond's global fleet increased 10% to 11,425 units at the end of the Quarter compared with 10,344 a year ago due to the addition of workforce accommodation units and surface rental units, such as the 1,244 bed camp in Dawson Creek, and the absence of significant used fleet sales in the current market. Consolidated unit count includes accommodation units, space rental units and surface rental units. Consolidated bed count in Black Diamond's global fleet increased 12% to 16,108 beds in the Quarter compared with 14,340 beds a year ago for the same reasons provided above.





Fleet Utilization Rates

	Three months ended September 30,			Nine months ended September 30,		
	2015	2014	Change (1)	2015	2014	Change (1)
Structures:						
Workforce Accommodation	55%	81%	(26)	64%	86%	(22)
Space Rentals	67%	78%	(11)	68%	80%	(12)
Energy Services:						
Drilling accommodation unit utilization	32%	58%	(26)	42%	65%	(23)
Surface rental unit utilization	27%	32%	(5)	26%	34%	(8)
International	27%	51%	(24)	27%	56%	(29)
Consolidated	53%	75%	(22)	59%	78%	(19)

(1) Percentage point basis.

Black Diamond measures utilization on the basis of the net book value of assets on rent, divided by the net book value of the business unit's total assets available to rent.

Q3 2015 vs Q3 2014

Workforce accommodation fleet utilization decreased 26 percentage points to 55% for the Quarter compared with 81% a year ago. Space rental fleet utilization decreased 11 percentage points to 67% for the Quarter compared with 78% a year ago. The decrease in utilization across all categories in the Structures, Energy Services and International business units is due to the combined effect of a larger fleet and lower business activity resulting from the impact of lower commodity pricing in North America and Australia. The decrease in space rentals utilization was relatively lower than the Company's other asset categories due to the greater geographic, industry and product diversification of this asset class.

Year to Date 2015 vs 2014

Workforce accommodation fleet utilization decreased 22 percentage points to 64% year to date ("YTD") compared with 86% last year. Space rental fleet utilization decreased 12 percentage points to 68% YTD compared with 80% last year. The decrease across all categories is for the same reasons described for the Quarter.

Revenue

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Rental Revenue	26.4	37.1	(29)%	91.8	118.5	(23)%
Lodging Revenue	15.5	23.9	(35)%	70.9	92.4	(23)%
Non-Rental Revenue	17.4	23.8	(27)%	67.6	86.9	(22)%
Revenue	59.4	84.8	(30)%	230.2	297.8	(23)%

Percentage of consolidated revenue	Three months ended September 30, 2015	2014	Change (1)	Nine months ended September 30, 2015	2014	Change (1)
Rental Revenue	44%	44%	—	40%	40%	—
Lodging Revenue	26%	28%	(2)	31%	31%	—
Non-Rental Revenue	30%	28%	2	29%	29%	—

(1) Percentage point basis.

Black Diamond's revenues are broken out into three categories: rental, lodging, and non-rental:

Rental revenues are associated with the rental of Black Diamond's owned assets to customers. This is the highest return aspect of the business.

Lodging revenues are derived from the cost-plus and day-rate camps that are operated and/or managed by Black Diamond's Logistics business unit. These camps are turnkey solutions that provide the support services for workforce accommodation camps including catering and utilities delivered by third parties and managed by Black Diamond. In the day-rate model, the cost of both the accommodation and the services are combined into a per diem rate per bed. In the cost-plus model, services that are delivered to the camp are billed on a cost-plus basis.

Non-rental revenues are derived from the sale of both new and used assets, the sub-leasing of non-owned assets, well site catering activities, as well as the delivery, installation, construction, project management and ancillary products and services required to support the deployment and remobilization of these assets.

Q3 2015 vs Q3 2014

Rental revenue for the Quarter was $26.4 million, down 29% or $10.7 million from a year ago primarily in workforce accommodations due to a decline in utilization and rental rates, which were largely driven by the decline in commodity prices.

Lodging revenue for the Quarter was $15.5 million, down 35% or $8.4 million from a year ago due to a reduction in beds under management primarily for cost-plus camps again driven by current market conditions and seasonality.

Non-rental revenue for the Quarter was $17.4 million, down 27% or $6.4 million from a year ago primarily due to a general year over year decrease in used fleet sales and decreased drilling and completion activity in western Canada.

Total consolidated revenue for the Quarter was $59.4 million, down 30% or $25.4 million from a year ago for the reasons described above.

Year to Date 2015 vs 2014

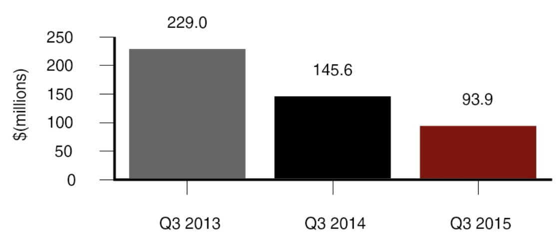
Rental revenue YTD was $91.8 million, down 23% or $26.7 million from last year for the reasons described above.

Lodging revenue YTD was $70.9 million, down 23% or $21.5 million from last year for the reasons described above.

Non-rental revenue YTD was $67.6 million, down 22% or $19.3 million from last year for the reasons described above.

Contracted Future Revenue

The contracted future revenue for rental and lodging in place at the end of the Quarter was $93.9 million, down 36% or $51.7 million from a year ago (Comparative Quarter - $145.6 million). The decline in contracted future revenue is directly attributable to the overall decline in the oil sector of western Canada, and shorter term renewals for camps that have come off contract in the last six to eight months.



Direct Costs and Gross Profit

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Direct Costs	28.7	38.4	(25)%	120.9	148.4	(19)%
Gross Profit	30.7	46.4	(34)%	109.3	149.3	(27)%

Percentage of Consolidated Revenue.	Three months ended September 30, 2015	2014	Change (1)	Nine months ended September 30, 2015	2014	Change (1)
Direct Costs	48%	45%	3	53%	50%	3
Gross Profit	52%	55%	(3)	47%	50%	(3)

(1) Percentage point basis.

Gross profit margins fluctuate depending on the mix between rental, lodging and non-rental revenue streams. Revenue streams ancillary to rental revenue generally realize lower gross margins than fleet rental margins.

Direct costs in Black Diamond's rental businesses include labour, fuel, materials, freight, maintenance and servicing of rental units. Direct costs related to the Logistics business unit include catering services, utilities costs, consumable materials and other services required to provide turn key lodging services. From time to time, Black Diamond will sell used units from its fleet, rent equipment from third parties and re-rent the equipment, provide installation and render other services to customers. Direct costs from these activities include the net book value of used units that have been sold, the cost of units sub-leased from others, and the cost of third parties in delivering some of these services.

Q3 2015 vs Q3 2014
Gross profit for the Quarter was $30.7 million, down 34% or $15.7 million from a year ago due to a decrease in revenue and a decrease in profit margin due to lower utilization and rate reductions on contract renewals for workforce accommodation in western Canada.

Direct costs for the Quarter were $28.7 million, down 25% or $9.7 million from a year ago due to lower business activity.

Year to Date 2015 vs 2014
Gross profit YTD was $109.3 million, down 27% or $40.0 million from last year for the same reasons described above and lower margins in the Structures business unit's non-rental business lines.

Direct costs YTD were $120.9 million, down 19% or $27.5 million from last year for the same reasons described above.

Administrative Expenses

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	**2015**	**2014**	**Change %**	**2015**	**2014**	**Change %**
Personnel Costs	6.4	7.2	(12)%	22.1	22.8	(3)%
Other Administrative Expenses	3.1	3.4	(8)%	9.0	10.5	(14)%
Occupancy and Insurance	1.9	1.5	30%	5.1	4.5	12%
Share Based Compensation	0.9	1.4	(38)%	3.0	3.8	(21)%
Total Administrative expenses	**12.3**	**13.5**	**(9)%**	**39.2**	**41.6**	**(6)%**
% of Consolidated Revenue	21%	16%		17%	14%	

Other administrative expenses includes costs related to auditors, legal fees, tax services, travel, meals, entertainment, office administration, communication, corporate sponsorship and advertising.

Q3 2015 vs Q3 2014
Total administrative expenses for the Quarter were $12.3 million, down 9% or $1.2 million from a year ago primarily due to a decrease in personnel and share based compensation costs. On a percentage of revenue basis administrative costs for the Quarter were 21%, up by five percentage points from a year ago as revenue declined faster than administrative costs.

The various components of Black Diamond's total administrative expenses are broken out below:
- Personnel costs for the Quarter were $6.4 million, down 12% or $0.9 million from a year ago primarily due to a decrease in headcount and a decrease in bonus costs.
- Occupancy and insurance costs increased in the Quarter for additional yard rent for off-rent fleet assets.
- Other administrative expenses for the Quarter were $3.1 million, down 8% or $0.3 million from a year ago due to a decrease in travel and entertainment costs and other employee related office costs.
- Share based compensation costs for the Quarter were $0.9 million, down 38% or $0.5 million from a year ago due to a lower fair value of options vesting.

Year to Date 2015 vs 2014

Total administrative expenses YTD were $39.2 million, down 6% or $2.4 million from a year ago for the same reasons described above.

The various components of Black Diamond's total administrative expenses are broken out below:

- Personnel costs YTD were $22.1 million, down 3% or $0.7 million from last year due to lower bonus and recruiting costs offset slightly by higher severance costs from Q1 and Q2 of 2015.
- Other administrative expenses YTD were $9.0 million, down 14% or $1.4 million from last year for the same reasons described above.
- Share based compensation costs YTD were $3.0 million, down 21% or $0.8 million from last year for the same reasons described above.

Adjusted EBITDA

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Adjusted EBITDA (1)	19.2	34.2	(44)%	73.1	111.5	(34)%
% of Consolidated Revenue	32%	40%		32%	37%	

(1) Adjusted EBITDA is a supplemental non-GAAP measurement and does not have a standardized meaning prescribed by IFRS. Therefore, Adjusted EBITDA may not be comparable to similar measures presented by other issuers. See "Non-GAAP Measures" for further details.

Adjusted EBITDA as a percentage of consolidated revenue will fluctuate from period to period depending on the proportion of rental revenue compared to ancillary revenue streams such as lodging services, custom manufactured sales, logistics, installation, subleases and other services which generally yield a lower Adjusted EBITDA margin.

Q3 2015 vs Q3 2014

Adjusted EBITDA for the Quarter was $19.2 million, down 44% or $15.0 million from a year ago due, primarily, to a decrease in revenue. Adjusted EBITDA as a percentage of revenue for the Quarter was 8 percentage points lower than a year ago due to decreased margins (as described above) and the decline in administrative expenses not matching the rate of decline in revenues.

Year to Date 2015 vs 2014

Adjusted EBITDA YTD was $73.1 million, down 34% or $38.4 million from last year for the same reasons described above.

Depreciation and Amortization

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Depreciation and amortization	14.5	13.6	6%	42.2	40.2	5%
% of Property and equipment	3%	3%		8%	8%	

Q3 2015 vs Q3 2014
Depreciation and amortization for the Quarter was $14.5 million, up 6% or $0.9 million from a year ago due to an increase in the overall fleet units, primarily in the Structures business unit.

Year to Date 2015 vs 2014
Depreciation and amortization YTD was 42.2 million, up 5% or $1.9 million from a year ago for the same reasons described above as the majority of the additions to fleet units occurred early in the year.

Finance Costs

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Finance cost	2.0	1.8	10%	6.4	5.6	14%
Long-term debt	185.5	137.9	35%	185.5	137.9	35%
Average interest rate	3.74%	5.02%	(25)%	3.89%	4.70%	(17)%

Q3 2015 vs Q3 2014
Finance costs for the Quarter were $2.0 million, up 10% or $0.2 million from a year ago primarily due to increased draws on the committed extendible revolving operating facility in the Quarter when compared to the Comparative Quarter, offset by lower average interest rates.

Year to Date 2015 vs 2014
Finance costs YTD were $6.4 million, up 14% or $0.8 million from last year due to the same reasons as above.

Income Tax

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Current tax	0.3	2.7		4.4	11.3	
Deferred tax	2.0	1.7		7.3	3.2	
Total tax	2.3	4.4	(46)%	11.7	14.5	(19)%

Q3 2015 vs Q3 2014
Black Diamond recognized a current income tax provision of $0.3 million for the Quarter (2014 - $2.7 million) and a deferred income tax provision of $2.0 million (2014 - $1.7 million). The increase in total tax as a percentage of pre-tax profit is mainly a result of adjustments arising from prior year tax filings.

Year to Date 2015 vs 2014
Year to date, Black Diamond recognized a current income tax provision of $4.4 million (2014 - $11.3 million) and a deferred income tax provision of $7.3 million (2014 - $3.2 million). For the same reason above, similar to other companies operating in Alberta, Black Diamond's effective tax rate has increased from the prior year (YTD 2015 - 37% vs. YTD 2014 - 26%). Without this increased Alberta income tax rate, Black Diamond's effective tax rate would have stayed essentially the same as 2014. The overall decrease in tax expense reflects the lower business activity.

The deferred income tax provision for both periods arises due to the change in the book value and the tax value of the net assets held by Black Diamond. The tax provisions have been calculated at the enacted tax rate of 26.05% in Canada, 40% in the United States and 30% in Australia.

Non-Controlling Interest

The non-controlling interest ("NCI") represents earnings attributable to the Fort Nelson First Nations' approximate 50% interest in the Black Diamond Dene Limited Partnership, the West Moberly First Nation’s approximate 50% interest in the Black Diamond West Moberly Limited Partnership, the Beaver Lake Cree Nation's approximate 50% interest in the Black Diamond Nehiyawak Limited Partnership, and the Whitecap Dakota First Nation's approximate 50% interest in the Whitecap Black Diamond Limited Partnership.

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	2015	2014	Change %	2015	2014	Change %
Non-controlling interest	0.4	1.9	(78)%	2.6	3.6	(28)%

Q3 2015 vs Q3 2014

The NCI for the Quarter was $0.4 million, down 78% or $1.5 million from a year ago due to decreased rental and ancillary revenues earned through the limited partnerships caused by lower utilization as a result of lower commodity prices.

Year to Date 2015 vs 2014

The NCI YTD was $2.6 million, down 28% or $1.0 million from last year for the same reasons described above and partially offset by rental revenue primarily related to an open camp in the Horn River area acquired late in the second quarter of 2014.

Net Income

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	2015	2014	Change %	2015	2014	Change %
Net income	8.0	11.2	(29)%	16.2	38.7	(58)%

Q3 2015 vs Q3 2014

Net income for the Quarter was $8.0 million, down 29% or $3.2 million from a year ago due to lower operating income described in the sections above, offset by a net gain on sale of the construction services operations for $8.8 million.

Year to Date 2015 vs 2014

Net income YTD was $16.2 million, down 58% or $22.5 million from last year for the same reasons described above.

RELATED PARTY TRANSACTION

On July 31, 2015, Black Diamond sold its construction services operation to Northern Frontier (TSX-V: FFF) for base consideration of $9.8 million consisting of 4.5 million shares of Northern Frontier valued at $2.4 million, representing approximately 19.5% of the current issued and outstanding shares in the capital of Northern Frontier, and a promissory note of $7.4 million due October 31, 2018 bearing interest at 10% per annum payable quarterly. The agreement allows for $1.3 million of the promissory note to be replaced by a five year lease of Northern Frontier land to Black Diamond once conditions are in place for such a lease to be executed. The agreement also included a potential earn out of $11.6 million which could increase total consideration to $21.4 million. The potential earn-out is equal to 80% of the amount by which the three year, post-closing, average gross revenue generated by the construction services operation of Northern Frontier exceeds $25.0 million, less $0.4 million, up to a maximum of $11.6 million.

Trevor Haynes is the Chairman of the Board for both Black Diamond and Northern Frontier, and the President and Chief Executive Officer of Black Diamond. The parties undertook reasonable steps and procedures to maintain the independence of both parties, including the abstention by Mr. Haynes from all negotiations and approvals of the transaction. Due to Black Diamond's 19.5% ownership position and common Chairman, Black Diamond and Northern Frontier are considered related parties.

Additionally, due to this relationship and share ownership, the Company determined that it obtained significant influence over Northern Frontier as of July 31, 2015. Accordingly, from that date onward, the investment in Norther Frontier has been accounted for as an investment in associate using the equity method of accounting.

SEGMENTED REVIEW OF FINANCIAL PERFORMANCE

The Company's senior management evaluates segment performance based on a variety of financial measures including revenue, profit, operating expenses, return on assets and Adjusted EBITDA.

The following is a summary of the Company's segmented results for the three and nine month periods ending September 30, 2015 and 2014, detailing revenues and Adjusted EBITDA by each of the Company's business units. The rental component of the Logistics business unit's service offerings is included in the Structures business unit through an inter-segment reclassification, while the service component remains in the Logistics business unit.

Segmented Revenue

Revenues presented by segment in the tables below exclude inter-segment revenue.

	Three months ended September 30,			Nine months ended September 30,		
(in thousands, except where noted)	2015	2014	Change	2015	2014	Change
	$	$	%	$	$	%
Revenue						
Structures	37,546	49,104	(24)%	138,732	167,939	(17)%
Logistics	15,542	23,935	(35)%	70,850	92,390	(23)%
Energy Services	3,934	6,688	(41)%	14,720	25,232	(42)%
International	2,342	5,057	(54)%	5,897	12,192	(52)%
Total Revenue	**59,364**	**84,784**	**(30)%**	**230,199**	**297,753**	**(23)%**

Segmented Adjusted EBITDA

Adjusted EBITDA by segment excludes depreciation, amortization, finance costs, write-down of minority interest in an investee, provision for guarantee of debt of an investee, impairment loss, gain on sale of construction services operation, deferred and current taxes, non-controlling interest, and share based compensation.

	Three months ended September 30,			Nine months ended September 30,		
(in thousands, except where noted)	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
	$	**$**	**%**	**$**	**$**	**%**
Adjusted EBITDA						
Structures	18,396	29,733	(38)%	66,257	95,807	(31)%
Logistics	3,803	5,753	(34)%	16,636	19,155	(13)%
Energy Services	1,097	2,200	(50)%	3,777	7,984	(53)%
International	349	1,615	(78)%	885	4,165	(79)%
Corporate	(4,415)	(5,060)	(13)%	(14,443)	(15,586)	(7)%
Total Adjusted EBITDA	**19,230**	**34,241**	**(44)%**	**73,112**	**111,525**	**(34)%**

STRUCTURES BUSINESS UNIT

The Structures business unit consists of our workforce accommodation and our space rental offerings:

Workforce Accommodations are sold or rented to business clients who want to house their workforce in remote locations where local accommodation infrastructure is either insufficient or non-existent. Our clients operate in the oil and gas, pipeline, mining, catering, engineering and construction industries, and include various levels of government. Our products include large dormitories, kitchen/diner complexes and recreation facilities.

Space Rentals provide high quality, cost effective, modular space rentals to customers throughout North America. These customers operate in the construction, real estate development, manufacturing, education and resource industries, and also include government agencies. Products include office units, lavatories, storage units, large multi-unit office complexes, classroom facilities, custom manufactured modular facilities and blast resistant structures.

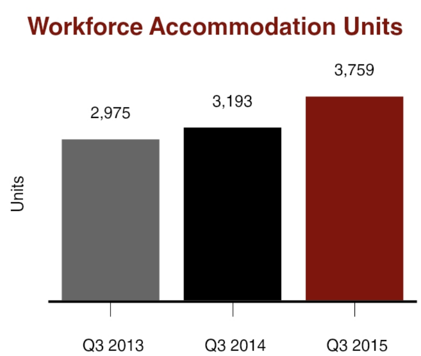
In addition, Black Diamond sells both new and used workforce accommodations and space rentals units and provides delivery, installation, project management and ancillary products and services which appear as "non-rental revenue".

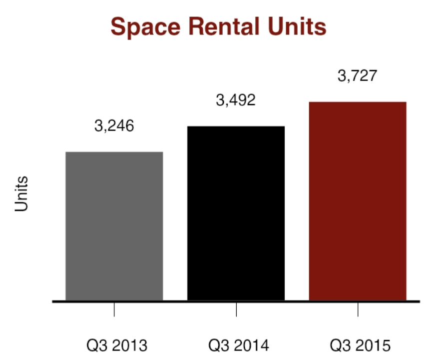
Operational Highlights

	Three months ended September 30,			Nine months ended September 30,		
	2015	2014	Change %	2015	2014	Change %
Workforce accommodation units	3,759	3,193	18%	3,759	3,193	18%
Average utilization	55%	81%		64%	86%	
Workforce accommodation bedcount	13,358	11,862	13%	13,358	11,862	13%
Space rental units	3,727	3,492	7%	3,727	3,492	7%
Average utilization	67%	78%		68%	80%	

Structures Fleet

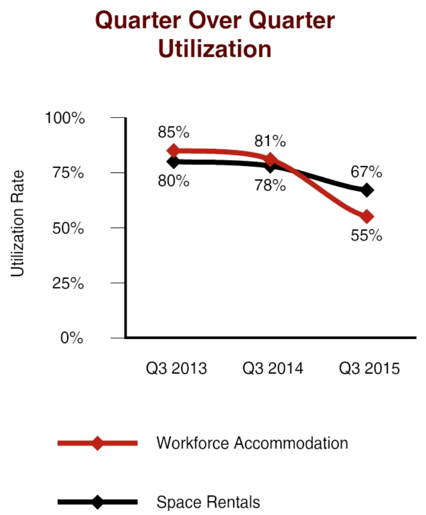
The workforce accommodation fleet consisted of 3,759 units during the Quarter, up 18% from 3,193 units a year ago due to the purchase of additional assets, such as the 1,244 bed camp in Dawson Creek, coupled with lower used fleet sales. The space rental fleet consisted of 3,727 units during the Quarter, up 7% from 3,492 units a year ago due to fleet purchases coupled with lower used fleet sales.

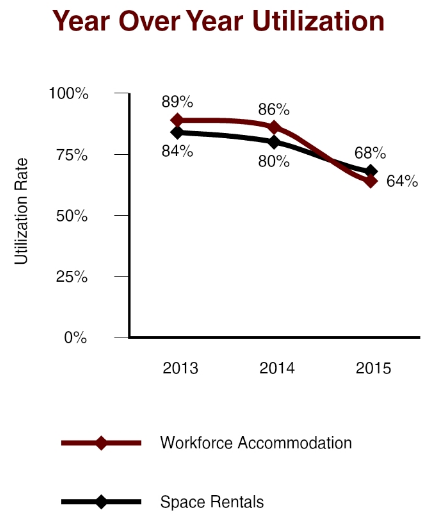




Structures Fleet Utilization Rates

Utilization of workforce accommodation units for the Quarter was 55% compared with 81% a year ago. Utilization of space rental units was 67% compared with 78% a year ago. Utilization rates in both categories were lower on account of a decrease in activity coupled with a growth in the overall fleet.





Financial Highlights

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Total Revenue	37.5	49.1	(24)%	138.7	167.9	(17)%
Rental Revenue	22.7	30.9	(26)%	79.0	97.0	(19)%
Non-Rental Revenue	14.8	18.2	(19)%	59.8	70.9	(16)%
Adjusted EBITDA	18.4	29.7	(38)%	66.3	95.8	(31)%

Percentage of Structures Revenue	Three months ended September 30, 2015	2014	Change (1)	Nine months ended September 30, 2015	2014	Change (1)
Rental Revenue	61%	63%	(2)	57%	58%	(1)
Non-Rental Revenue	39%	37%	2	43%	42%	1
Adjusted EBITDA	49%	60%	(11)	48%	57%	(9)

(1) Percentage point basis.

The rental revenue for the Structures business unit is directly proportional to the number of rental fleet units, the utilization rate for the fleet and the realized rental rates. Effective rental rates vary between periods due to the complexity of the fleet unit types available, their configurations, the number rented, project locations and contract duration.

Q3 2015 vs Q3 2014

The Structures business unit's total revenue for the Quarter was $37.5 million, down 24% or $11.5 million from a year ago. Year-over-year differences are reviewed in the breakdown of revenue into its various components below:

- Rental revenue for the Quarter was $22.7 million, down 26% or $8.2 million from a year ago due to a decrease in average utilization and rate reductions on contract renewals for workforce accommodation in western Canada; and

- Non-rental revenue for the Quarter was $14.8 million, down 19% or $3.4 million from a year ago due to lower used fleet sales partially offset by increased activity from installation and demobilization operations.

Adjusted EBITDA for the Quarter was $18.4 million, down 38% or $11.3 million from a year ago primarily due to a significant reduction in revenue during the Quarter. Adjusted EBITDA as a percentage of revenue was at 49% compared to 60% in 2014 due to rate reductions on contract renewals and lower margin on non-rental revenue.

Year to date 2015 vs 2014

The Structures business unit's total revenue for the YTD was $138.7 million, down 17% or $29.2 million from a year ago. Year-over-year differences are reviewed in the breakdown of revenue into its various components below:

- Rental revenue for the YTD was $79.0 million, down 19% or $18.1 million from a year ago due to a decrease in average utilization and rate reductions on contract renewals for workforce accommodation in western Canada; and
- Non-rental revenue for the YTD was $59.8 million, down 16% or $11.1 million from a year ago due to the sale of a large camp north of Fort McMurray in the first quarter of 2014 and lower used fleet sales partially offset by increased activity from installation and demobilization operations.

Adjusted EBITDA for the YTD was $66.3 million, down 31% or $29.6 million primarily due to a significant reduction in revenue during the YTD. Adjusted EBITDA as a percentage of revenue was at 48% YTD compared to 57% a year ago for the same reasons above.

Contracted Future Revenue

At September 30, 2015, the weighted average remaining contract rental term outstanding was approximately nine months (September 30, 2014 - nine months). Contracted rental revenue commitments in place as at September 30, 2015 totaled $76.5 million (September 30, 2014 - $97.0 million).

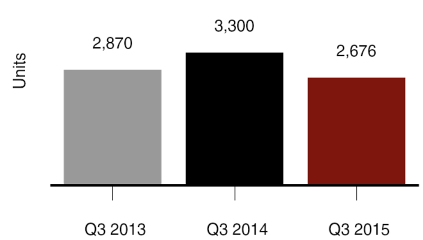
LOGISTICS BUSINESS UNIT

The Logistics business unit provides turnkey workforce lodging services, remote facility management and supply chain solutions. This business unit manages both Black Diamond's and third party owned workforce housing facilities and provides associated services for customers. This business unit also provides sophisticated supply chain management services to large exploration and production customers to improve the efficiency of their remote workforce services, thereby helping customers realize significant savings.

Operational Highlights

	Three months ended September 30,			Nine months ended September 30,		
	2015	2014	Change %	2015	2014	Change %
Average beds owned by Black Diamond	2,416	2,254	7%	2,801	2,976	(6)%
Average beds leased from third parties	116	902	(87)%	550	911	(40)%
Average beds managed by Black Diamond on behalf of third parties	144	144	—%	144	144	—%
Average beds under management	2,676	3,300	(19)%	3,495	4,031	(13)%

Total Average Beds Under Management



Financial Highlights

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Lodging Revenue (1)	15.5	23.9	(35)%	70.9	92.4	(23)%
Adjusted EBITDA	3.8	5.8	(34)%	16.6	19.2	(13)%

Percentage of Lodging Revenue	Three months ended September 30, 2015	2014	Change (2)	Nine months ended September 30, 2015	2014	Change (2)
Adjusted EBITDA	24%	24%	—	23%	21%	2

(1) Lodging revenue excludes rental revenue which is recognized in Structures.
(2) Percentage point basis.

Lodging revenue in the Logistics business unit is directly proportional to the number of beds available to rent, occupancy levels at the camps, the type of camps being occupied, and the initiation and completion of large projects.

Black Diamond has two types of turnkey camps: Day-rate camps which have variable margins and cost-plus camps which have fixed margins. Day-rate camps generally earn higher margins than cost-plus camps where the Company manages the camps on behalf of its customers and earns a fixed margin with reduced risk.

Q3 2015 vs Q3 2014

Lodging revenue for the Quarter was $15.5 million, down 35% or $8.4 million from a year ago due to a 19% decrease in average beds under management, a 4% decrease in occupancy levels, and rate concessions tied to the previously announced contract extension.

Lodging Adjusted EBITDA for the Quarter was $3.8 million, down 34% or $2.0 million from a year ago, primarily due to reduced revenue. Adjusted EBITDA margin, as a percentage of Logistics revenue, remained constant compared to a year ago due to cost management. Logistics' day-rate camps have minimum man-day commitments in place to protect these camps from downside risks and maintain a target return on capital.

Year to date 2015 vs 2014

Lodging revenue for the YTD, was $70.9 million, down 23% or $21.5 million from a year ago for the same reasons described above.

Lodging Adjusted EBITDA for the YTD was $16.6 million, down 13% or $2.5 million from a year ago for the same reasons described above. Year to date Adjusted EBITDA margin, as a percentage of the Logistics business unit's revenue, was 2 percentage points higher than a year ago due to cost management and the mix of day-rate and cost-plus beds under management as explained above.

Contracted Future Revenue

Contracted minimum man day and lodging service revenue commitments in place as at September 30, 2015 totaled $12.8 million (September 30, 2014 - $42.3 million) for the camps operated by the Logistics business unit. This excludes the rental of equipment, which is reported in the Structures business unit.

ENERGY SERVICES BUSINESS UNIT

The Energy Services business unit's primary business is separated into two oilfield rental streams:

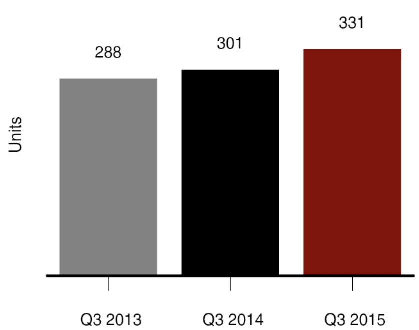
1. Surface rentals, which consist of various types of equipment that support drilling, completion and production activities; and
2. Accommodations, which consist of single unit (well sites) and multi-unit complexes (drill camps) which are highly mobile and durable.

The business unit also provides complete installation, maintenance and catering services (operations) and defines this as non-rental revenue.

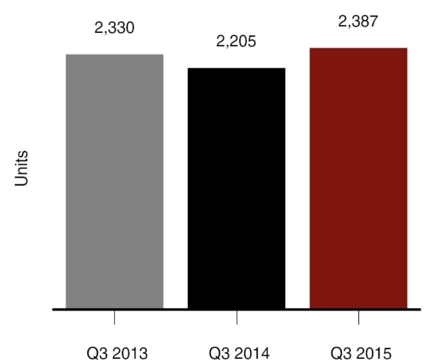
Operational Highlights

	Three months ended September 30,			Nine months ended September 30,		
	2015	**2014**	**Change %**	**2015**	**2014**	**Change %**
Drilling accommodation units	331	301	10%	331	301	10%
Average utilization	32%	58%		42%	65%	
Drilling accommodation bedcount	968	922	5%	968	922	5%
Surface rental units	2,387	2,205	8%	2,387	2,205	8%
Average utilization	27%	32%		26%	34%	

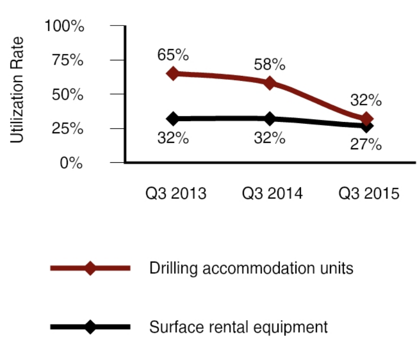
Drilling Accommodation Units



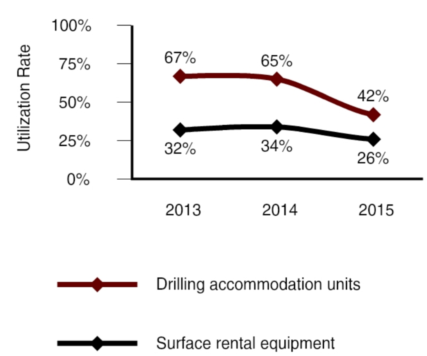
Surface Rental Equipment



Quarter Over Quarter Utilization



Year Over Year Utilization



Financial Highlights

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Revenue	3.9	6.7	(41)%	14.7	25.2	(42)%
Rental Revenue	2.4	4.0	(39)%	9.1	14.4	(37)%
Non-Rental Revenue	1.5	2.7	(45)%	5.7	10.8	(48)%
Adjusted EBITDA	1.1	2.2	(50)%	3.8	8.0	(53)%

Percentage of Energy Services Revenue	Three months ended September 30, 2015	2014	Change (1)	Nine months ended September 30, 2015	2014	Change (1)
Rental Revenue	62%	60%	2	62%	57%	5
Non-Rental Revenue	38%	40%	(2)	38%	43%	(5)
Adjusted EBITDA	28%	33%	(5)	26%	32%	(6)

(1) Percentage point basis.

Rental revenue for the Energy Services business unit is directly proportional to the number of fleet units, their utilization rate and the realized rental rate.

Revenue tends to be more seasonal in the Energy Services business unit. Drilling accommodations and surface rental assets typically have higher utilization rates during the winter months when drilling activity is greater and reduced utilization rates during the spring and summer months.

Q3 2015 vs Q3 2014

Rental revenue for the Quarter was $2.4 million, down 39% or $1.6 million from a year ago due to a decrease in average utilization and realized rental rates. Lower commodity prices for oil and natural gas have caused a decrease in drilling and completion activity in western Canada. This has reduced overall demand for the Energy Services business unit's products and has also led to pricing pressure. For the Quarter, the Canadian Association of Oilwell Drilling Contractors ("CAODC") reported an average monthly drilling rig count of 182, down 52% or 195 drilling rigs from 377 a year ago. Another factor that reduced utilization year over year was the absence of demand for well site accommodation units for flood relief compared with last year.

Non-Rental revenue for the Quarter was $1.5 million, down 45% or $1.2 million from a year ago due to a decrease in drilling and completion activity in western Canada, as explained above.

Adjusted EBITDA for the Quarter was $1.1 million, down 50% or $1.1 million from a year ago given a decrease in overall revenue and gross margin due to price pressure as a result of current declines in drilling and completion activity due to lower commodity prices for oil and natural gas. Adjusted EBITDA as a percentage of revenue was 28% for the Quarter compared with 33% a year ago, primarily due to a decrease in rental rates.

The drilling accommodations fleet increased by 10% in the Quarter over the Comparative Quarter. The increase includes drill camps as well as a complement of well site units and support units. The surface rental fleet increased to 2,387 units in the Quarter from 2,205 units in the Comparative Quarter mainly on account of additional rig mats.

Year to date 2015 vs 2014

Rental revenue for the YTD was $9.1 million, down 37% or $5.3 million from a year ago for the reasons described above. For the YTD, CAODC reported an average monthly drilling rig count of 190, down 47% or 167 drilling rigs from 357 a year ago.

Non-Rental revenue for the YTD was $5.7 million, down 48% or $5.2 million from a year ago for the reasons described above.

Adjusted EBITDA for the YTD was $3.8 million, down 53% or $4.2 million from a year ago for the reasons described above. Adjusted EBITDA as a percentage of revenue for the YTD was 26% compared with 32% from a year ago for the same reasons described above.

Contracted Future Revenue

At September 30, 2015, the weighted average remaining contract rental term outstanding was approximately three months (September 30, 2014 - two months). Committed rental revenue from contracts in place as at September 30, 2015 was $2.4 million (September 30, 2014 - $3.6 million).

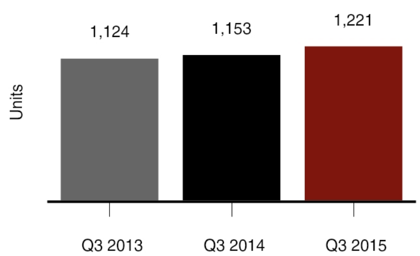
INTERNATIONAL BUSINESS UNIT

The International business unit rents and sells remote workforce housing and modular space rental solutions outside of North America. The primary geography for this business unit is Australia. Rental fleet assets are similar to assets which the Company operates in North America and are well-positioned in the resource-rich states of Queensland and Western Australia. The business unit's diverse customer base includes operations in resources, oil and gas, construction, general industry, government and education.

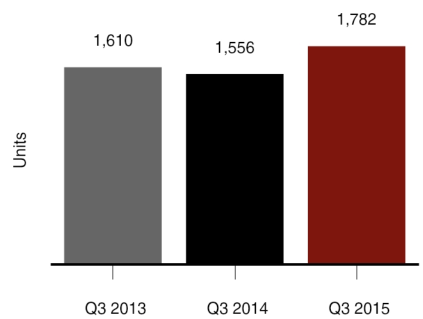
Operational Highlights

	Three months ended September 30,			Nine months ended September 30,		
	2015	**2014**	**Change %**	**2015**	**2014**	**Change %**
Workforce accommodation and space rental units	**1,221**	1,153	6%	**1,221**	1,153	6%
Workforce accommodation bedcount	**1,782**	1,556	15%	**1,782**	1,556	15%
Average utilization	**27%**	51%		**27%**	56%	

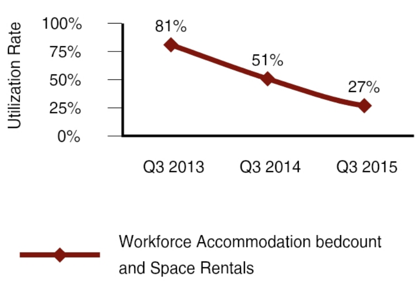
Workforce Accommodation and Space Rental units



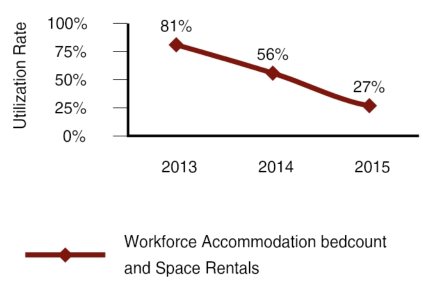
Workforce Accommodation Bedcount



Quarter Over Quarter Utilization



Year Over Year Utilization



Financial Highlights

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Revenue	2.3	5.1	(54)%	5.9	12.2	(52)%
Rental Revenue	1.2	2.1	(44)%	3.7	7.0	(47)%
Non-Rental Revenue	1.1	3.0	(61)%	2.2	5.2	(58)%
Adjusted EBITDA	0.3	1.6	(78)%	0.9	4.2	(79)%

Percentage of International Revenue	Three months ended September 30, 2015	2014	Change (1)	Nine months ended September 30, 2015	2014	Change (1)
Rental Revenue	51%	42%	9	64%	58%	6
Non-Rental Revenue	49%	58%	(9)	36%	42%	(6)
Adjusted EBITDA	15%	32%	(17)	15%	34%	(19)

(1) Percentage point basis.

The rental revenue for the International business unit is directly proportional to the number of rental units, their utilization rate and the rental rate.

The resource sector in Australia has historically been a major source of demand for the Company's assets primarily in Western Australia and Queensland. The current downturn in commodity prices has led to weakness in the Australian mining and oil and gas sectors. This has led to reduced asset utilization and downward pressure on pricing. This trend is anticipated to continue during the remainder of 2015 and into 2016.

Q3 2015 vs Q3 2014

Rental revenue for the Quarter was $1.2 million, down 44% or $0.9 million from a year ago for the reasons described above.

Non-Rental revenue for the Quarter was $1.1 million, down 61% or $1.8 million from a year ago primarily due to used fleet sales in the Comparative Quarter that were not repeated in 2015.

Adjusted EBITDA for the Quarter was $0.3 million, down 78% or $1.3 million from a year ago substantially due to decrease in overall revenue.

Year to date 2015 vs 2014

Rental revenue for the YTD was $3.7 million, down 47% or $3.3 million from a year ago for the reasons described above.

Non-Rental revenue for the YTD was $2.2 million, down 58% or $3.0 million from a year ago for the reasons described above.

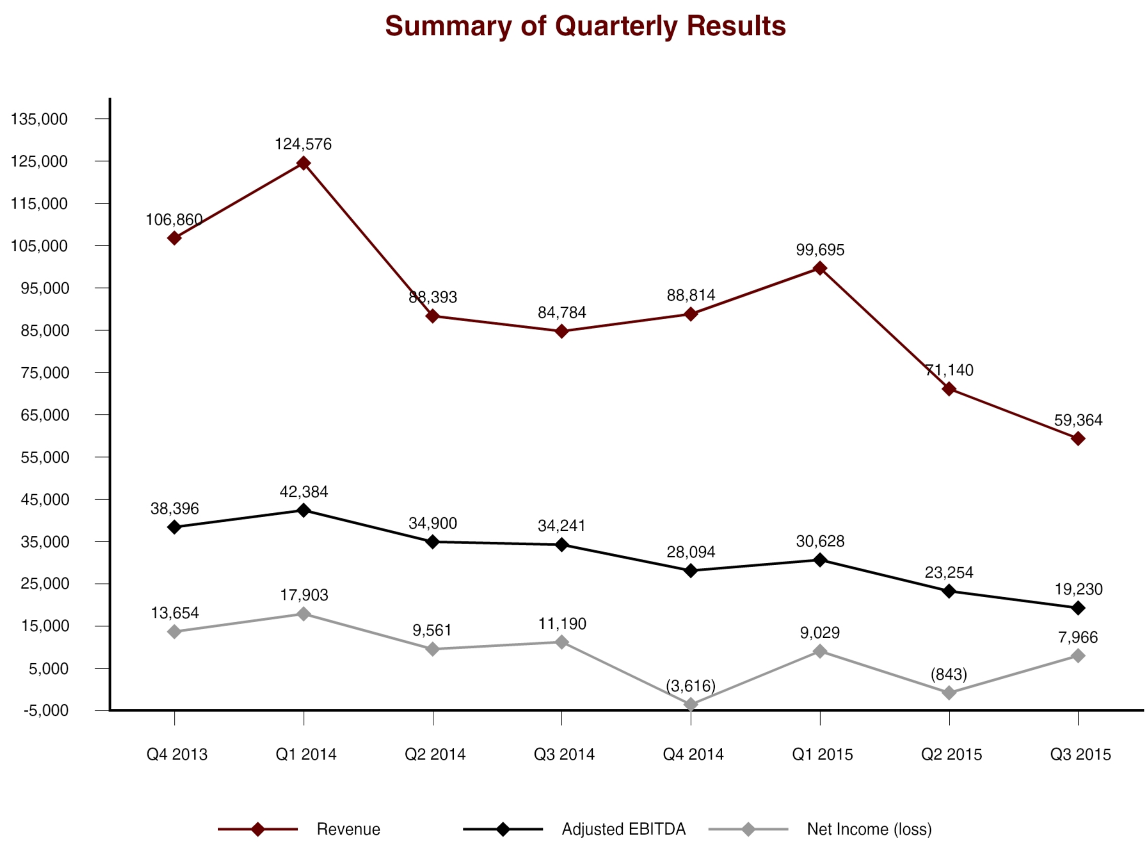
Adjusted EBITDA for the YTD was $0.9 million, down 79% or $3.3 million from a year ago for the reasons described above.

Contracted Future Revenue

As at September 30, 2015, the weighted average remaining contract rental term outstanding was approximately five months (September 30, 2014 - four months) and the committed rental revenue from contracts in place was $2.2 million (September 30, 2014 - $2.7 million)

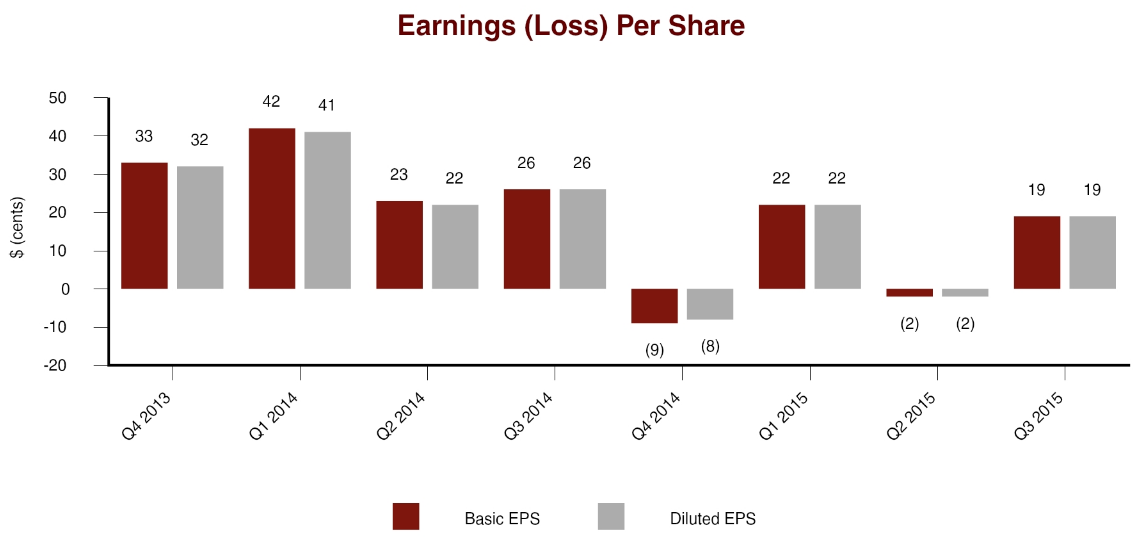
SUMMARY OF QUARTERLY RESULTS

The following is a summary of the previous eight quarters:



Overall, the continued weakness in commodity prices across several commodity classes has negatively impacted asset utilization and revenue resulting in quarterly metrics trending downward. The more significant variations in individual quarterly results are explained further below.

1. Q1 results are typically higher due to some seasonality experienced in the western Canada operations, which form part or all of Structures, Logistics and Energy Services business units. Specifically, operations levels at camps operated by the Logistics business unit are generally higher in the winter and utilization for drilling accommodations and surface rental assets is higher in the fall and winter months.
2. Q1 2014 experienced a spike in revenue related to a significant sale of used fleet in the Structures business unit and a 51% increase in the beds under management in the Logistics business unit.
3. Beds under management increased in Q1 2015 compared to other quarters, but due to the decreased activity in western Canada the increase was less than 2014.
4. A net loss was recorded in Q4 2014 primarily due to a one-time $8.2 million write-down of goodwill and intangible assets in the International business unit.
5. The net loss in Q2 2015 was due to lower activity levels, driven by continued low commodity prices, and due to an increase in the Alberta corporate income tax rate.
6. In Q3 2015 lower revenue was primarily driven by lower business activity consistent with Q2 2015 for the same reasons described above. Lower net income was offset by the gain on sale of the construction services operation.



LIQUIDITY AND CAPITAL RESOURCES

Cash Requirements

Contractual Obligations and Other Commitments

At September 30, 2015, Black Diamond had capital expenditure commitments in the amount of $1.0 million to be expended in the next six months. It is management's intention to meet the funding requirements for these commitments through internally generated cash flow.

Capital Expenditures

Black Diamond's capital expenditures relate primarily to:

- Structures business unit - workforce accommodation structures, space rental structures, well site accommodation units and ancillary equipment;
- Logistics business unit - site improvements;
- Energy Services business unit - accommodation structures and surface rental equipment;
- International business unit - workforce accommodation and space rental structures in Australia (this excludes capital acquired through the business combination); and
- Corporate - land, leasehold improvements, computers, furniture and service related equipment.

For the Quarter, Black Diamond expended $12.0 million (Comparative Quarter – $34.9 million) on additions to property and equipment. The additions consisted of:

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Structures	11.3	31.6	(64)%	41.5	58.3	(29)%
Energy Services	0.4	0.3	25%	1.6	3.8	(59)%
Logistics	—	0.2	(100)%	0.6	2.7	(77)%
International	0.1	1.1	(87)%	4.1	5.5	(26)%
Corporate	0.1	1.7	(93)%	0.3	3.2	(90)%
	11.9	34.9	(66)%	48.1	73.5	(35)%

Sources and Uses of Cash

Cash flows from operating, investing and financing activities, as reflected in the Unaudited Consolidated Statement of Cash Flows, are summarized in the following table:

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Cash from operating activities	25.6	19.2	34%	90.1	118.9	(24)%
Cash used in investing activities	(8.0)	(25.9)	(69)%	(59.1)	(64.4)	(8)%
Cash (used in) from financing activities	(22.1)	4.2	(623)%	(50.0)	(69.2)	(28)%
Total cash decrease	(4.5)	(2.5)	84%	(19.0)	(14.7)	29%

Liquidity needs can be met through a variety of sources, including: available cash, cash generated from operations, draw downs under the Company's revolving credit facility, issuances of common shares and short-term borrowings under the Company's operating facilities. Black Diamond's primary use of funds are operational expenses, sustaining and opportunity capital spending, dividends and interest, taxes and principal repayments.

Cash provided by operating activities was $6.4 million higher in the Quarter than in the Comparative Quarter due to higher receivable balances in the prior year and $28.8 million lower in the YTD than in the Comparative YTD primarily due to decreased business activity.

Cash used in investing activities was $17.9 million lower in the Quarter than in the Comparative Quarter and $5.3 million lower in the YTD than in the Comparative YTD due to lower capital spending.

Cash used in financing activities was $26.3 million higher in the Quarter than in the Comparative Quarter due to repayment of principal on the senior secured notes and $19.2 million lower in the YTD than in the Comparative YTD, primarily due to lower net draws of long-term debt.

Working Capital

The following table presents summarized working capital information:

($ millions, except as noted)	September 30, 2015	December 31, 2014	Change %
Current assets	72.6	116.3	(38)%
Current liabilities	43.2	65.3	(34)%
Working capital	29.4	51.0	(42)%
Working capital ratio	1.68	1.78	(6)%

The decrease in current assets of $43.7 million from December 31, 2014 was largely due to a decrease of $18.4 million in cash and cash equivalents and by a decrease in accounts receivable of $26.0 million. The decrease in accounts receivable balance is due to decreased revenues and improvements in the collection process.

The decrease in current liabilities of $22.1 million from December 31, 2014 was largely due to a decrease of $17.7 million of accounts payable and accrued liabilities and a decrease of $5.4 million of deferred revenue related to services to be rendered within the next 12 months. The decrease in accounts payable and accrued liabilities balance is due to decreased business activity and higher cash settlement on capital spending.

Principal Debt Instruments:

As of September 30, 2015, Black Diamond's principal sources of debt included:

- a committed extendible revolving operating facility in the amount of $168.0 million, all of which is available and $96.6 million is drawn at September 30, 2015;
- a demand operating facility in the U.S in the amount of US$10.0 million, all of which is available and $nil is drawn at September 30, 2015;
- a demand operating facility in Australia in the amount of AUD$5.0 million, all of which is available and $nil is drawn at September 30, 2015;
- $49.6 million principal amount of senior secured notes due on July 8, 2019, which rank pari passu with the senior credit facilities of the Company; and
- $40.0 million principal amount of senior secured notes due on July 3, 2022, which rank pari passu with the senior credit facilities of the Company.

Black Diamond, through one of its partnerships, also has a demand operating facility in the amount of $5.0 million to fund working capital requirements of the partnership. The facility is secured by assets of the partnership, with no recourse to Black Diamond.

Effective June 18, 2015, Black Diamond increased the maximum principal amount of its committed extendible revolving operating facility to $168.0 million (December 31, 2014 - $150.0 million) and extended its maturity to April 30, 2019 (December 31, 2014 - April 30, 2018). The facility is available by way of prime rate advances, US base rate advances, LIBOR advances, bankers acceptances or letters of credit and incurs standby fees for any unused portion of the facility at rates that fluctuate based on the ratio of net funded debt to Bank EBITDA (see "Non-GAAP Measures"). The facility is collateralized by a general security agreement from Black Diamond and a guarantee and general security agreement from each of its material subsidiaries. The facility also has an accordion feature that allows for the expansion of the facility up to an aggregate of $268.0 million (December 31, 2014 - $250.0 million), upon lender commitment. If all or any portion of the $100.0 million accordion is not provided by the lenders, the committed extendible revolving operating facility authorizes the Company to obtain the remaining amount from any third party subject to certain conditions in the committed extendible revolving operating facility.

As at September 30, 2015, the Company's draws under the committed extendible revolving operating facility were comprised of $11.6 million related to an overdraft balance (December 31, 2014 - $nil), $85.0 million of bankers' acceptance (December 31, 2014 - $70.0 million) and $nil of bankers' acceptance for which interest rate has been fixed through a SWAP contract (December 31, 2014 - $25.0 million).

For the three and nine months ended September 30, 2015, the average interest rate applied to amounts drawn on the committed extendible revolving operating facility was 2.58% and 2.72% (2014 - 4.75% and 3.71%), respectively.

In addition, the Company has a corporate credit card facility with a limit of $1.0 million which bears interest at 18.4%. As at September 30, 2015, the Company's draws under the corporate credit card facility were nil (December 31, 2014 - nil).

Black Diamond, through one of its partnerships, has a $5.0 million operating facility to fund working capital requirements of the partnership. The facility bears interest at a rate of prime plus 1.15% and incurs standby fees of 0.25% for any unused portion of the authorized amount whereby the authorized limit is 75% of good accounts receivable calculated at the end of each month. The facility is secured by assets of the partnership, with no recourse to Black Diamond. As at September 30, 2015, the Company's draws under the demand operating facility were $0.6 million (December 31, 2014 - $nil). At September 30, 2015, the effective interest rate was 3.85% (December 31, 2014 - 4.15%).

Effective May 15, 2015, Black Diamond, through its indirect wholly owned US subsidiaries, increased its demand revolving loan to US $10.0 million (December 31, 2014 - US $3.0 million) to fund working capital requirements in the US. The facility bears interest at a rate of US prime plus 0.50% and is payable monthly with any principal outstanding to be repaid upon maturity on May 30, 2016. At September 30, 2015, the effective interest rate was 3.75% (December 31, 2014 - 4.0%). The facility is secured by a corporate guarantee issued by Black Diamond Limited Partnership. As at September 30, 2015, the Company's draws under the US demand operating facility were $nil (December 31, 2014 - $nil).

Black Diamond, through its indirect wholly owned Australian subsidiaries, has an AUD$5.0 million operating facility to fund working capital requirements in Australia. The facility bears interest at a rate of Australian Bank Bill Overdraft Rate plus 1.0% and incurs standby fees for any unused portion of the facility at 0.50%. At September 30, 2015, the effective interest rate was 3.10% (December 31, 2014 - 3.69%). The facility is secured by a corporate guarantee issued by Black Diamond Limited Partnership. As at September 30, 2015, the Company's draws under the Australian demand operating facility were $nil (December 31, 2014 - $nil).

On July 7, 2011, Black Diamond Limited Partnership completed a private placement of senior secured notes. These notes, which rank pari passu with the committed extendible revolving operating facility, have a principal amount of $49.6 million, an interest rate of 5.44% per annum and mature on July 8, 2019. The senior secured notes are repaid through annual payments, each in the amount of $12.4 million with the first annual payment made on July 7, 2015. Black Diamond has the discretion to refinance the senior secured notes for at least twelve months through its committed revolving operating facility and hence classified the obligation as long-term.

On July 3, 2013, Black Diamond Limited Partnership completed a private placement of senior secured notes. These notes, which rank pari passu with the committed extendible revolving operating facility, have a principal amount of $40.0 million, an interest rate of 4.58% per annum and mature on July 3, 2022. The senior secured notes are repaid through annual repayments, each in the amount of $13.3 million with the first annual payment beginning July 3, 2020.

On July 3, 2013, Black Diamond Limited Partnership also entered into a private shelf facility for senior secured notes which, subject to the sole discretion of the lender, may be drawn in an aggregate amount up to US $21.3 million, for a term of no more than 11 years after the date of original issuance, to have an average life of no more than 10 years after the date of original issuance, and to bear interest as shall be determined at the date of issuance. These senior secured notes may be issued until the earlier of (i) July 3, 2016, or (ii) the 30th day after notice has been given to terminate the private shelf facility.

During 2013, the Company issued a financial guarantee for $5.2 million (AUD $5.2 million) related to the demand debt of the Company's indirect 20% interest in APB Britco's manufacturing business. The Company accrued a provision for the full amount of the financial guarantee in the second quarter of 2014. In September 2015 a payment pursuant to this guarantee was made in the amount of $3.1 million with a corresponding decrease in the provision recorded.

The Company uses a combination of short-term and long-term debt to finance its operations. Management believes that Black Diamond has the liquidity, barring any unforeseen circumstances, to continue to operate through the foreseeable future, and pursue its planned business objectives. This is due to the Company's capitalization, the longer term nature of Black Diamond's customer contracts and the credit worthiness of Black Diamond's customers.

Management believes that the ongoing cash generated from operations will be sufficient to allow it to meet ongoing requirements for working capital, maintenance costs, administrative expenses, interest costs and fund capital expenditures. Black Diamond's cash generated from operations will be dependent upon future financial performance, which in turn will be subject to financial, business and other risk factors, including factors beyond Black Diamond's control. Management also believes that, dependent on capital market conditions, Black Diamond has the ability to raise additional debt or equity, if required.

The Company is committed to maintaining a strong balance sheet and flexible capital structure. Black Diamond's financial debt covenants are as follows:

Debt Covenants

Black Diamond's financial debt covenants are as follows:

Covenant as at September 30, 2015	Required	Actual
Funded Debt to Bank EBITDA Ratio	≤ 3.00:1	1.93
Interest Coverage Ratio	≥ 3.00:1	12.80

Black Diamond controlled limited partnership's non-recourse financial debt covenants are as follows:

Covenant as at September 30, 2015	Required	Actual
Current Ratio	≥ 1.25:1	7.11
Interest Coverage Ratio	≥ 3.00:1	94.84

Effective June 18, 2015, the committed extendible revolving operating facility interest coverage covenant was amended to a minimum interest coverage ratio of 3.00:1.

Effective June 18, 2015, the restriction on dividends was amended such that dividends and Normal Course Issuer Bid ("NCIB") purchases cannot exceed Excess Cash Flow, with Excess Cash Flow defined as Bank EBITDA less cash taxes payable less $20.0 million less interest expense less capital lease payments, all calculated on a twelve month trailing basis. The lenders further provisioned that NCIB purchases shall be excluded from this restrictive covenant calculation to and including September 30, 2015 provided there will be no further NCIB purchases during this period without the lenders prior approval. As at September 30, 2015, twelve month trailing dividends totaled $39.6 million compared to $64.4 million twelve month trailing Excess Cash Flow.

Corresponding financial covenant and restriction on dividend amendment approval has also been granted under Black Diamond's senior secured notes to mirror the covenant changes under the committed extendible revolving operating facility. For the purposes of the covenant calculations, Bank EBITDA is determined on a 12 month trailing basis. Bank EBITDA is a non-GAAP measure that management uses to assist in the evaluation of Black Diamond's liquidity and is used by Black Diamond's lenders to calculate compliance with certain financial covenants.

Lender agreements also contain non-financial covenants that restrict, subject to certain thresholds, some of the Company's activities, including the Company's ability to dispose of assets, incur additional debt, pay dividends, create liens, make investments and engage in specified transactions with affiliates.

As at September 30, 2015, Black Diamond was in compliance with all debt covenants.

Share Capital

At September 30, 2015, Black Diamond had 41.0 million (December 31, 2014 - 41.0 million) common shares outstanding. In addition, at September 30, 2015, Black Diamond had 3.9 million (December 31, 2014 - 3.3 million) common shares reserved for issuance pursuant to the exercise of options which have been granted pursuant to Black Diamond's share option plan.

The following table summarizes Black Diamond's equity capitalization as at November 5, 2015 in thousands:

Common shares	41,026
Stock options	3,921

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are likely to have, a material current or future effect on the Company's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital expenses.

Contingent Liabilities

The Company has entered into indemnity agreements with its directors and officers whereby the Company indemnifies the directors and officers from all personal liability and loss that may arise in service to the Company.

FINANCIAL INSTRUMENTS

All of Black Diamond's financial instruments as at September 30, 2015 relate to standard working capital accounts and credit facility items.

Black Diamond is subject to both cash flow and interest rate risk on its extendible revolving operating facility and interest rate fair value risk on the senior secured notes based on their fixed rate of interest. The required cash flow to service the operating facility will fluctuate as a result of changes in market rates.

NON-GAAP MEASURES

The consolidated financial statements have been prepared in accordance with IFRS. Certain supplementary information and measures not recognized under IFRS are provided where management believes they assist the reader in understanding Black Diamond's results. Non-GAAP financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers for these non-GAAP measures. These measures include:

Adjusted EBITDA is not a measure recognized under IFRS and does not have standardized meanings prescribed by IFRS. Adjusted EBITDA refers to consolidated earnings before finance costs, tax expense, depreciation, amortization, accretion, foreign exchange, stock-based compensation, acquisition costs, non-controlling interests, gain on sale of construction services operation and write-down of investment in Britco Australia LP.

Black Diamond uses Adjusted EBITDA primarily as a measure of operating performance. Management believes that operating performance, as determined by Adjusted EBITDA, is meaningful because it presents the performance of the Company's operations on a basis which excludes the impact of how they have been financed and impairment write downs on goodwill and intangibles of its International business unit. In addition, management presents Adjusted EBITDA because it considers it to be an important supplemental measure of the Company's performance and believes this measure is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures.

Adjusted EBITDA has limitations as an analytical tool, and readers should not consider this item in isolation, or as a substitute for an analysis of the Company's results as reported under IFRS. Some of the limitations of Adjusted EBITDA are:

- Adjusted EBITDA excludes certain income tax payments that may represent a reduction in cash available to the Company;
- Adjusted EBITDA does not reflect the Company's cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, the Company's working capital needs;
- Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest payments on the Company's debt;
- depreciation and amortization are non-cash charges, thus the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- other companies in the industry may calculate Adjusted EBITDA differently than the Company does, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of the Company's business. The Company compensates for these limitations by relying primarily on the Company's IFRS results and using Adjusted EBITDA only on a supplementary basis.

Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by the revenue for the period.

Reconciliation of Consolidated Profit to Adjusted EBITDA:

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	2015	2014	Change %	2015	2014	Change %
Profit	**8.0**	11.2	(29)%	**16.2**	38.7	(58)%
Add:						
Share-based compensation	**0.9**	1.4	(38)%	**3.0**	3.8	(21)%
Depreciation and amortization	**14.5**	13.6	6 %	**42.2**	40.2	5 %
Finance costs	**2.0**	1.8	10 %	**6.4**	5.6	14 %
Current income taxes	**0.3**	2.7	(88)%	**4.4**	11.3	(61)%
Deferred income taxes	**2.0**	1.7	19 %	**7.3**	3.2	129 %
Gain on sale of construction operations	**(8.8)**	—	— %	**(8.8)**	—	— %
Guarantee of debt of an investee	**—**	—	— %	**—**	5.2	(100)%
Non-controlling interest	**0.4**	1.9	(78)%	**2.6**	3.6	(28)%
Adjusted EBITDA	**19.2**	34.2	(44)%	**73.1**	111.5	(34)%

Bank EBITDA is used for the purposes of the financial debt covenant calculations. It is determined on a 12 month trailing basis and is calculated in the same way as Adjusted EBITDA, except that it does not add back non-controlling interest and is adjusted for acquisitions or disposals . Bank EBITDA is a non-GAAP measure that management uses to assist in the evaluation of Black Diamond's liquidity and is used by Black Diamond's lenders to calculate compliance with certain financial covenants and is derived from Adjusted EBITDA.

Funds available for dividends is calculated as the cash flow from operating activities excluding the changes in non-cash working capital. Management believes that Funds available for dividends is a useful measure as it provides an indication of the funds generated by the operations before working capital adjustments. Changes in non-cash working capital items have been excluded as such changes are financed using the operating line of Black Diamond's credit facilities. Funds not distributed are available for re-investing in the business and funding the growth of Black Diamond.

Reconciliation of Cash Flow from Operating Activities to Funds Available for Dividends:

($ millions, except as noted)	Three months ended September 30, 2015	2014	Change %	Nine months ended September 30, 2015	2014	Change %
Cash Flow from Operating Activities	**25.6**	19.2	34 %	**90.1**	118.9	(24)%
Add/(Deduct):						
Book value of used fleet sales	**(1.0)**	(4.2)	(76)%	**(4.4)**	(18.9)	(77)%
Change in long-term accounts receivable	**(1.1)**	(1.2)	(8)%	**(0.7)**	—	— %
Change in non-current deferred revenue	**2.1**	—	— %	**2.1**	3.4	(39)%
Changes in non-cash working capital	**(2.5)**	17.7	(114)%	**(14.3)**	3.6	(493)%
Funds available for dividends	**23.1**	31.5	(33)%	**72.8**	107.0	(32)%

Gross Profit Margin is calculated by dividing Gross Profit by the revenue for the period.

Payout Ratio is calculated as the dividends declared for the period divided by funds available for dividends.

Working Capital is calculated as current assets minus current liabilities (excluding debt and amounts for PP&E).

Readers are cautioned that the non-GAAP measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of Black Diamond's performance or cash flows, a measure of liquidity or as a measure of actual return on the shares of Black Diamond. These non-GAAP measures should only be used in conjunction with the consolidated financial statements of Black Diamond.

RISKS AND UNCERTAINTIES

The operations of Black Diamond face a number of risks and uncertainties in the normal course of business that may be beyond its control, but which could have a material adverse effect on Black Diamond's financial condition, results of operations and cash flow, and therefore on cash available for dividends. Many of these risk factors and uncertainties are outlined in the annual information form of Black Diamond available on SEDAR. Additional risks and uncertainties that management may be unaware of may become important factors which affect Black Diamond.

DISCLOSURE CONTROLS AND PROCEDURES

Black Diamond's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to Black Diamond is made known to Black Diamond's Chief Executive Officer and Chief Financial Officer by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by Black Diamond in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Black Diamond's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of Black Diamond's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Black Diamond is required to disclose herein any change in Black Diamond's internal controls over financial reporting that occurred during the period beginning on July 1, 2015 and ended on September 30, 2015 that has materially affected, or is reasonably likely to materially affect, Black Diamond's internal controls over financial reporting. No material changes in Black Diamond's internal controls over financial reporting were identified during such period that have materially affected, or are reasonably likely to materially affect Black Diamond's internal controls over financial reporting.

It should be noted that a control system, including Black Diamond's disclosure and internal controls and procedures, no matter how well conceived or operated, can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

Additional information relating to Black Diamond, including Black Diamond's annual information form is available on SEDAR.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

Judgments

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In addition to the estimates and judgments discussed in Note 2 in the audited consolidated financial statements of the Company for the years ended December 31, 2014 and 2013, management has made the following judgments,which have a significant effect on the amounts recognized in the consolidated financial statements:

Operating lease commitments – Company as lessor

The Company has entered into rental contracts for its fleet. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the modular structures, that it retains all the significant risks and rewards of ownership of these structures and accounts for the contracts as operating leases.

Determination of control and significant influence

Management has used judgment in assessing whether the Company exerts control and significant influence over its subsidiaries and investments, respectively. Management has determined that the Company does exert significant influence over Northern Frontier in respect of which it holds a 19.5% interest (see Related Party Transaction) and does not exert significant influence over APB Britco LP in respect of which it holds a 20% interest (all of which has been written off in 2013).

Definition of a business

Management applies judgments relating to its acquisitions with respect to whether the acquisitions were a business combination or an asset acquisition. Management applies a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of the respective acquisitions in order to reach a conclusion.

Determination of a CGU

Management's judgment is required in determining the Company's cash generating units for the impairment assessment of its indefinite-life intangible assets. The CGUs have been determined considering level of operating activities and independent cash flows generated from groups of assets.

Business combinations - purchase price allocation

Purchase price allocations involve uncertainty because management is required to make assumptions and judgments to estimate the fair value of the identifiable assets acquired and liabilities assumed in business combinations. Fair value estimates are based on quoted market prices and widely accepted valuation techniques, including discounted cash flow ("DCF") analysis. Such estimates include assumptions about inputs to the valuation techniques, industry economic factors and business strategies.

Aggregation of interest in subsidiaries

Management has used judgment in determining whether it is appropriate to aggregate the disclosures required by IFRS 12 for the Company's interests in subsidiaries. In reaching a determination, management considered such factors as its interests in the subsidiaries' nature of business, their industry classification and their geographical location.

Income Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the Company's legal entities.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the maintainable earnings and trading multiples. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Revenue recognition

The Company has recognized revenue in certain types of contracts using the percentage of completion method. In determining the percentage of completion, estimates and assumptions are made in relation to costs incurred and the costs to complete the contracts. When the outcome of the transaction cannot be estimated reliably, estimates and assumptions are made on whether the Company will recover the transaction costs incurred. If it is probable that the costs will be recoverable, revenue is recognized only to the extent of costs. If it is not probable that the costs incurred will be recovered, revenue is not recognized and the costs incurred are recognized as an expense.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell ("FVLCTS") and its value in use ("VIU"). The FVLCTS calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. If no such transactions can be identified, an appropriate valuation model is used. The Company bases its impairment calculation on estimated future cash flows. The VIU calculation is based on a DCF model. The cash flows are derived from the Company's budget for the next two years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Asset retirement obligations

The Company has recognized a provision for decommissioning obligations associated with two land leases held by the Company. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the camps from the site and the expected timing of those costs.

Additional estimates

Other estimates that management is required to make to conform with IFRS and prepare timely consolidated financial statements includes accrual of unsettled transactions, collectibility of accounts receivable, recognition of provisions and contingent obligations, the estimated useful lives of property and equipment, useful lives of intangible assets, and percentage complete for certain types of revenue recognition. Accordingly, actual results may differ from estimated amounts. Management has also used judgment in the estimates used in pricing its options and long-term incentive plan awards, assessing the effectiveness of hedging relationships and the determination of functional currency.

If the underlying estimates and assumptions, upon which the consolidated financial statements are based, change in future periods, actual amounts may differ from those included in the accompanying consolidated financial statements.

Changes in Accounting Policies and disclosure

Several new standards and amendments apply for the first time in 2015. The nature and the impact of each new standard/ amendment is described below:

IFRS 2 Share-Based Payments - Amendments to IFRS 2

The standard amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'. The amendment did not have an impact on the Company as it reflects the current accounting policy of the Company.

IAS 8 Operating Segments - Amendments to IAS 8.

The amended standard requires (i) disclosure of judgments made by management in aggregating segments, and (ii) a reconciliation of segmented assets to the Company's assets when segment assets are reported. The amendment did not have an impact on the disclosure and the financial results of the Company.

IFRS 13 Fair Value Measurement - Amendments to IFRS 13

The amended standard clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts if the effect of discounting is immaterial. It also clarifies that the portfolio exception can be applied not only to financial assets and liabilities, but also to other contracts within scope of IFRS 39 and IFRS 9. The amendment did not have an impact on the Company as it reflects the current accounting policy of the Company.

IAS 24 Related Party Disclosures
The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Company as it does not receive any management services from other entities nor does it provide management services to non-controlled entities.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's consolidated financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective on or after January 1, 2016.

IAS 1 Presentation of Financial Statements
In December 2014, the IASB issued narrow-focus amendments to IAS 1 Presentation of Financial Statements to clarify existing requirements related to materiality, order of notes, subtotals, accounting policies and disaggregation. Retrospective application of this standard is effective for fiscal years beginning on or after January 1, 2016, with earlier application permitted. The adoption of this amended standard is not expected to have a material impact on the Company's disclosure.

IFRS 9 Financial Instruments
IFRS 9 sets out requirements for the classification and measurement of financial assets, financial liabilities, impairment and includes the new general hedge accounting model. IFRS 9 *Financial Instruments (July 2014)* replaces earlier versions of IFRS 9 and supersedes IAS 39 *Financial instruments: Recognition and measurement* and the effective date of the new standard will be for annual periods beginning on or after January 1, 2018. The Company has not yet determined the impact of the standard on the Company's financial statements.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures
In September 2014, the IASB issued amendments to address an inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and those in International Accounting Standard (IAS) 28 Investments in Associates and Joint Ventures regarding the sale or contribution of assets between an investor and its associate or joint venture. The amendment clarified that a full gain or loss is recognized when a transaction involves a business. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business. Prospective application of this interpretation is effective for annual periods beginning on or after January 1, 2016, with earlier application permitted. The adoption of this amendment could impact the Company in the event that it has transactions with associates or joint ventures.

IFRS 11 Joint Arrangements
In May 2014, the IASB issued amendments to IFRS 11 Joint Arrangements to clarify that the acquirer of an interest in a joint operation in which the activity constitutes a business is required to apply all of the principles of business combinations accounting in IFRS 3 Business Combinations. Prospective application of this interpretation is effective for annual periods beginning on or after January 1, 2016, with earlier application permitted. The adoption of this amendment could impact the Company in the event it increases or decreases its ownership share in an existing joint operation or invests in a new joint operation.

IFRS 15 Revenue from contracts with customers
IFRS 15 specifies how and when to recognize revenue and requires entities to provide users of financial statements with more informative, relevant disclosures. This standard supersedes IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and a number of revenue-related interpretations. IFRS 15 will be effective for annual periods beginning on or after January 1, 2018. Application of the standard is mandatory and early adoption is permitted. The Company has not yet determined the impact of the standards on the Company's financial statements.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
The amendments to these standards provide clarification of acceptable methods of depreciation and amortization. It prohibits revenue from being used as a basis to depreciate property, plant and equipment and significantly limits use of revenue-based amortization for intangible assets. The amendments are to be applied prospectively for the annual periods commencing January 1, 2016. The amendment does not have an impact to the disclosure or financial results of the Company.

Annual Improvements Project for 2012-2014 (Amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34)
Relatively minor amendments on these four standards were issued by the IASB under its Annual Improvements Project for 2012-2014. These amendments are effective for annual periods beginning on or after January 1, 2016. The Company has not yet determined the impact of the amendments on the Company's financial statements.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.