MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and twelve months ended December 31, 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 December 31, 2015 (the "Quarter") with the three months ended December 31, 2014 (the "Comparative Quarter") as well as Black Diamond's financial performance for the twelve months ended December 31, 2015 ("2015") with the twelve months ended December 31, 2014 ("2014"). The MD&A also provides additional discussion about significant economic trends that may affect the future performance of Black Diamond. This MD&A should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2015 and 2014. The accompanying audited consolidated financial statements of Black Diamond are prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A was prepared as of March 2, 2016 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 ("SEDAR") at www.sedar.com.

Certain information set forth in this MD&A contains forward-looking statements including the amount of funds that will be expended on the 2016 capital plan, 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 any of the Liquefied Natural Gas ("LNG") projects currently being contemplated for British Columbia, 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: future commodity prices, 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.

INVESTOR INFORMATION SERVICES

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EXECUTIVE SUMMARY

Black Diamond has strengthened its balance sheet, positioning itself for sustainability and to capture additional market share from competitors. Year-over-year we've reduced our debt by $37.2 million, and in the Quarter we reduced administrative expenses by 23% from the fourth quarter of 2014. Net Debt to Adjusted EBITDA for the Quarter decreased to 1.73 from 1.82 in the third quarter of 2015.

Black Diamond continues to generate positive cash flow from a diverse fleet of assets serving multiple industries and geographies. While asset rental and ancillary revenues across all of our business lines in western Canada and Australia continue to be negatively impacted by low commodity pricing, Black Diamond's space rental platform continues to see steady demand in the United States and eastern Canada.

Forward visibility on new contracts and contract renewals remains limited in western Canada and Australia. However, our sales and operations teams continue to pursue new business aggressively, and we are continuing to do what we must to ensure Black Diamond is in the strongest position possible to execute on opportunities as they emerge.

HIGHLIGHTS FOR THE QUARTER

- Long-term debt as at December 31, 2015 was $159.2 million, down 19% or $37.2 million from $196.4 million as at December 31, 2014 due to significant receivable collection activity coupled with a lower dividend and limited capex in the second half of the year. Net Debt as at December 31, 2015 was $153.7 million, down 12.9% or $22.8 million from $176.5 million as at December 31, 2014.

- The balance sheet has strengthened since the third quarter of 2015 with Net Debt to Adjusted EBITDA improving to 1.73 as at December 31, 2015 compared with 1.82 as at September 30, 2015. The decrease compared with the third quarter of 2015 was the result of aggressive debt repayments, partially offset by lower Adjusted EBITDA. Net Debt to Adjusted EBITDA increased year over year due to the impact of weak commodity pricing on Adjusted EBITDA and growth capital expenditures made in early 2015 including for the Dawson Creek 1,244 bed camp. (Net Debt to EBITDA as at December 31, 2014: 1.26).

- Days sales outstanding ("DSO") declined by 22% to 70 days at the end of the Quarter compared with 90 days for the Comparative Quarter and 98 days for the third Quarter of 2015. The reduction in days is a result of collaborative collection efforts with our largest customers.

- Capital expenditures for the Quarter were $1.5 million compared with $46.3 million for the Comparative Quarter. 2015 capital expenditures were $49.6 million compared with $119.8 million in 2014. The capital for the Dawson Creek camp was spent in late 2014 and early 2015.

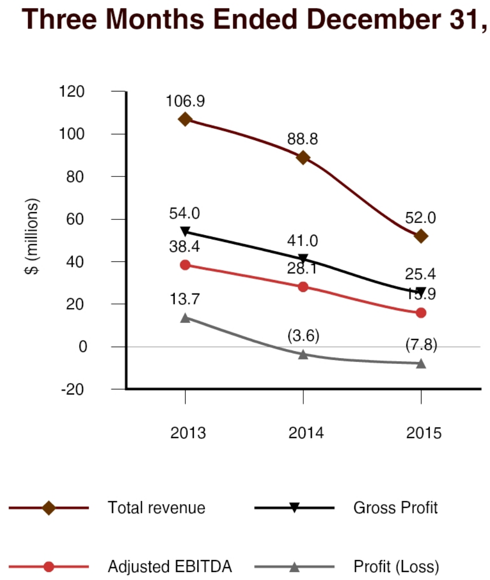
2016 Capital Plan

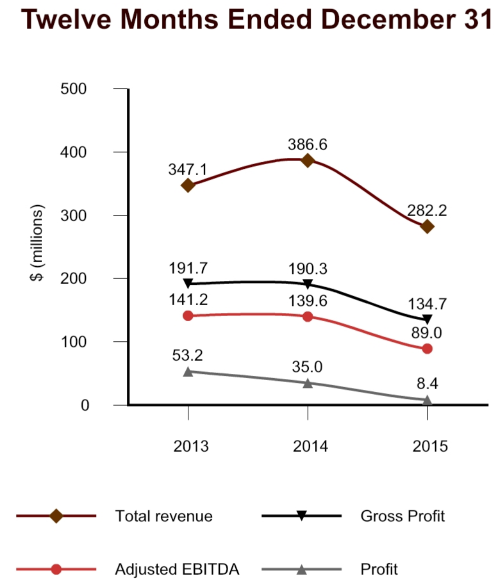
The 2016 capital spending plan has been reduced to $10.0 million from $25.0 million, the majority of which will be focused on growth capital. Given the current economic environment, stringent controls have been placed on capital spending, and strategies are in place to promote the utilization of Black Diamond's existing fleet of assets. As at December 31, 2015, Black Diamond had $2.7 million in outstanding capital commitments, and capital spending in the first quarter of 2016 is not expected to exceed this amount.

Business Reorganization

As of January 2016, Black Diamond has re-organized its North American business units to streamline its operations and gain efficiencies. More information about Black Diamond's organizational structure can be found in the "Who We Are" section of this Quarter's MD&A. **Please note** that this Quarter continues to reflect the previous organizational structure which was in effect until the end of 2015. In conjunction with reporting first quarter results for 2016, Black Diamond will provide its historical results re-segmented for the new business structure.

Financial Review





- Revenue for the Quarter was $52.0 million, down 41% or $36.8 million from the Comparative Quarter primarily due to the impact of low commodity prices on all operating business units, primarily in western Canadian and Australian geographies.

- Administrative expenses for the Quarter were $11.1 million, down 23% or $3.3 million from the Comparative Quarter due to reductions in personnel and ongoing cost management. Effective February 1, 2016, Black Diamond implemented a graduated salary rollback averaging approximately 10%.

- Adjusted EBITDA for the Quarter was $15.9 million, down 43% or $12.2 million from the Comparative Quarter due to a decrease in revenue, partially offset by lower administrative expenses.

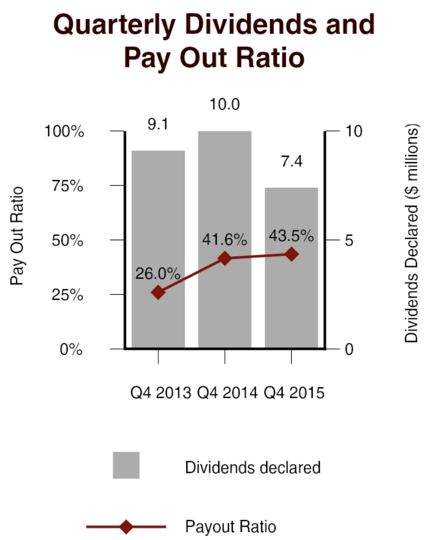
- $5.3 million in non-cash charges were recognized in the Quarter including a $1.4 million impairment of goodwill in Energy Services, a $1.2 million write down in peripheral surface rental assets in Energy Services, and a write down related to the notes and shares of Northern Frontier Corp. ("Northern Frontier") in the amount of $2.7 million.

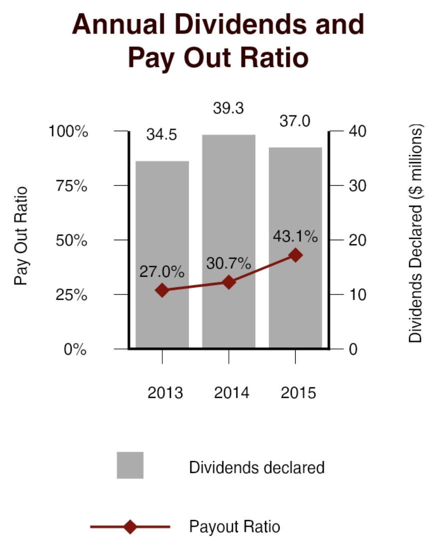
- A net loss of $7.8 million was recorded for the Quarter compared with a net loss of $3.6 million for the Comparative Quarter primarily due to a $36.8 million decrease in revenue partially offset by a $3.3 million decrease in administrative expenses and a $2.9 million decrease in non-cash charges recognized in the Quarter compared with the year before.

- Consolidated contracted future revenue decreased 37% to $81.8 million at December 31, 2015 compared with $130.3 million at December 31, 2014 due to fewer long-term contracts being signed in the current environment. Of this, $56.4 million in contracted future revenue is expected to be recognized in 2016. Recent renewals on existing camps have been on a short term or month-to-month basis due to the lack of visibility that energy customers have on commodity pricing. Contracted future revenue does not include these month-to-month arrangements for lodging services or asset rentals, and does not include contracted non-rental revenue.

Total Year and Fourth Quarter Dividend and Payout Ratio

The Payout Ratio (see "Non-GAAP Measures") for the Quarter increased to 43% compared with 42% in the Comparative Quarter as a result of lower distributable cash flow partially offset by a decrease in the monthly dividend to 5 cents per share compared with 8 cents per share prior to November 2015. The payout ratio for 2015 increased to 43% compared with 31% in 2014 as a result of lower distributable cash flow, partially offset by lower total distributions.





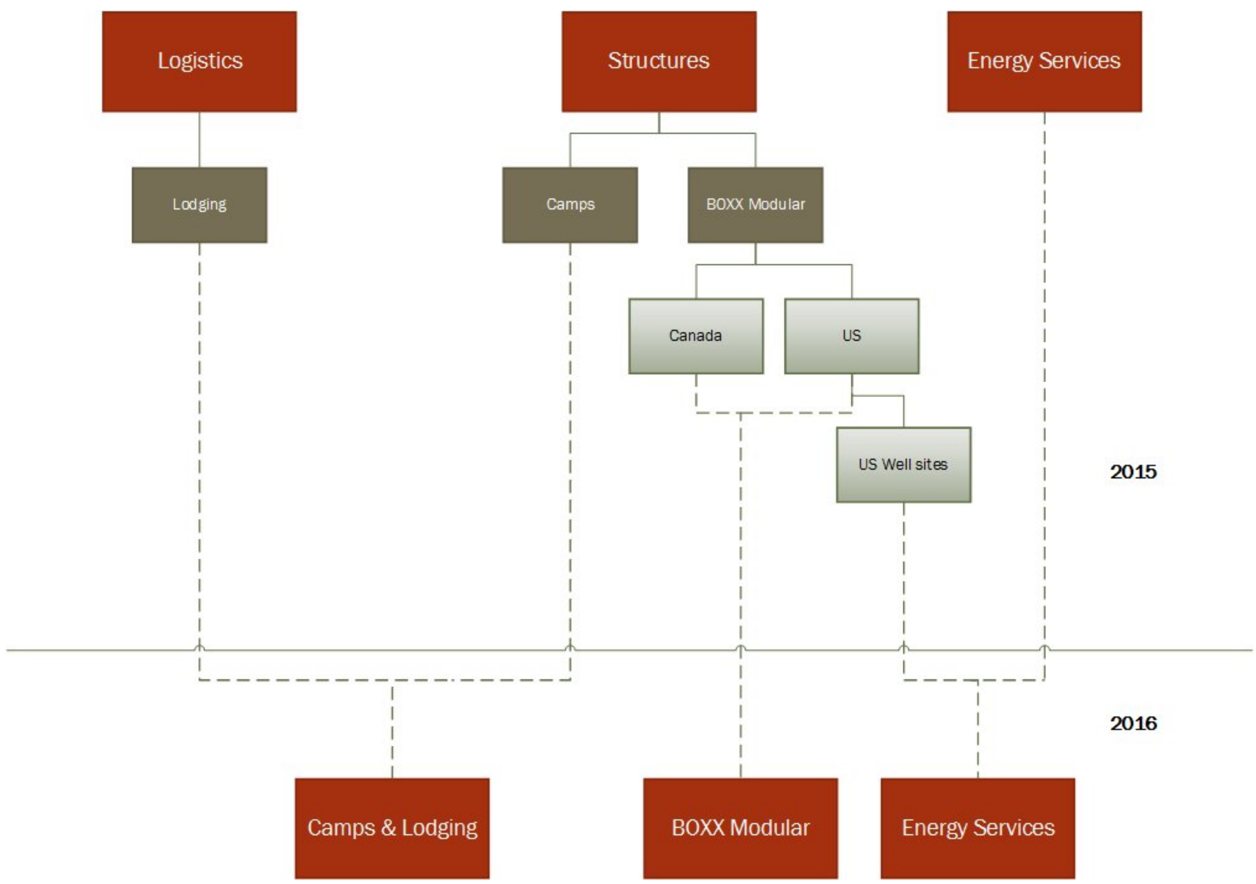
WHO WE ARE

Black Diamond rents and sells modular workforce accommodation and space rental solutions to customers in Canada, the United States ("US") 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 US. From twenty locations, we serve multiple sectors including oil and gas, mining, power, construction, engineering, military, government and education.

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

As of January 2016, Black Diamond re-organized its North American business units to streamline its operations and gain efficiencies. **Please note** that this Quarter continues to reflect the previous organizational structure which was in effect until the end of 2015.

The new Camps & Lodging business unit combines the workforce accommodation business from the previous Structures business unit and the lodging services business from the previous Logistics business unit. The BOXX Modular business unit is now operating separately from the previous Structures business unit and includes the Canadian and US space rentals businesses. The Energy Services business unit now incorporates the US well site business which was previously included in the Structures business unit. The International business unit remains unchanged.



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 designed to weather downturns through a prudent 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 over $500 million that consists of remote workforce accommodation, space rental and surface rental assets. These assets maintain their value over the long-term and require very little maintenance capital. To ensure we are managing our assets (and capital) efficiently, we set return targets for our assets based on their original cost. This creates discipline around the aging of our rental fleet, encouraging managers to regularly sell older, less economic rental assets on the secondary market. Under normal market conditions, we can often 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.

We continually adjust our commercial strategy to market conditions. Our asset management strategy in the current economic environment can be divided into three categories:

1. For any new dollar of capital, we continue to require the Company's historical rate of return, term of contract and pay back period. This means we do not engage in large speculative investments in new assets;
2. On contract renewals, where our assets are already on location, the costs to demobilize and replace those assets are significant, and to a certain extent help mitigate the pricing pressure seen in some asset classes; and
3. Existing assets that are not currently being utilized face pricing pressure. With respect to existing assets, we are being more aggressive in our rental rates and, in some cases, strategically and opportunistically positioning assets in geographies that are more likely to generate new revenue.

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 actively worked 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 US 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 too 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

Energy commodity prices continued to decline through the Quarter and into 2016, which have had a further negative impact on asset utilization and revenues across all of Black Diamond's business lines in western Canada as oil and natural gas producers further curtailed capital spending. The BOXX Modular space rental platform in eastern Canada and the US is expected to continue to benefit from greater economic stability through its exposure to non-resource industries. In addition, spending by Canada's federal and provincial governments on large infrastructure projects could have a positive impact on asset utilization in 2016.

The information provided below is general in nature and should not be construed as guidance. All relevant sources are hyperlinked in the PDF version of this MD&A which is available for download at www.sedar.com or www.blackdiamondlimited.com.

Energy

Oil Bear Market Deepens - No Further Damage Expected From Royalty Review

The average spot price for western Canadian Select crude for the Quarter was $36.86 CAD per barrel, down 45% from the year before and down 15% from the third quarter of 2015. For 2015, the average spot price for western Canadian Select crude was $44.82 CAD per barrel, down 45% from 2014. The average spot price in January 2016 for western Canadian Select crude was $25.43 CAD per barrel, down 31% since the fourth quarter of 2015.

	Three months ended December 31			Twelve months ended December 31		
(CAD per Barrel)	2015	2014	Change	2015	2014	Change
(Western Canadian Select, AB)	$	$	%	$	$	%
Average WCS Spot Price	36.86	66.75	(45)%	44.82	81.10	(45)%

Source: Government of Alberta Economic Dashboard

Preliminary reports indicate that exploration and production ("E&P") companies operating in western Canada's SAGD oil sands decreased capital spending between 2014 and 2015 by approximately 54%. Based on recent announcements, it appears that these E&P companies are currently contemplating a 28% decrease in spending on their 2016 capital programs compared with 2015. This will directly impact Black Diamond's near term growth prospects from this sector. That said, companies operating in the SAGD region of the oil sands continue to indicate that they will spend capital in the region through 2016 to maintain their operations.

The Alberta Royalty Review, which further exacerbated the uncertainty facing western Canadian oil producers through 2015, has now come to substantial completion. It appears, at least on the surface, that royalties will not be changing dramatically, and that the new regime will increase the transparency of the royalty system in the hopes of attracting investment back to Alberta's oil and gas industry.

The current condition of the oil sector is reflected in the forward contracted revenues of our Structures and Logistics business units, which declined year over year by 29% and 59%, respectively, as at December 31, 2015.

Long-term, the cadence of new crude oil projects going into construction in western Canada will likely be slow until oil prices recover to levels that support the economics of the region's oil sector. Until then, continued investment will be required to support ongoing operations, turnarounds, project optimization and midstream activity.

Natural Gas Activity

The average spot price for AECO-C Natural Gas for the Quarter was $2.65 per MMBtu, down 34% from the year before and down 5% from the third quarter of 2015. For 2015, the average spot price for AECO-C Natural Gas was $2.77 per MMBtu, down 38% from 2014. The average spot price for AECO-C Natural Gas in January 2016 was $2.32 per MMBtu, down 13% since the fourth quarter of 2015.

	Three months ended December 31			Twelve months ended December 31		
(CAD per MMBtu)	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
(AECO-C)	**$**	**$**	**%**	**$**	**$**	**%**
Average Natural Gas Price	2.65	4.01	(34)%	2.77	4.47	(38)%

Source: CAPP Reference Natural Gas Prices

While a steep build in natural gas storage inventories and a warm start to the winter have resulted in weak winter natural gas pricing across much of North America, pricing remains above the half-cycle break-even point for several western Canadian natural gas plays. With plays in northern Alberta and British Columbia still economic, and with the Alberta Royalty Review concluded without any major changes, activity related to the exploration and production of natural gas is likely to continue for certain plays in these regions, although at modest levels.

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 have been expected to impact Black Diamond's operations within the next 12 to 24 months are Pacific Northwest ("PNW") 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.

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 final investment decision ("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"). On February 10, 2016 CEAA issued its draft Environmental Assessment Report which included CEAA's conclusions and recommendations.

The Draft report will be open for comment until March 11, 2016, and a final decision is expected from the Minister of Environment and Climate Change on or about March 22, 2016 barring any further delays in the 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. On February 4, 2016, Shell indicated that their final investment decision for LNG Canada won't occur until late 2016.

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.

Infrastructure Spending

In general, government spending on infrastructure and large projects can have a positive impact on rental asset utilization for space rentals and workforce accommodation.

Canadian Federal Government Plans to Double Infrastructure Spending

On October 19, 2015, the Liberal party of Canada swept to power on the promise of doubling infrastructure spending in Canada from $65 billion to $125 billion over ten years. The additional spending outlined in the Liberal Investment Plan that was released in August 2015 will be focused on public transit, social and green infrastructure. The break down of the Liberals spending commitments are as follows:

Additional Infrastructure Spending ($ Billions)

Year	Public Transit	Social	Green
2016-17	1.7	1.7	1.7
2017-18	1.7	1.7	1.7
2018-19	1.2	1.2	1.2
2019-20	1.2	1.2	1.2
Total over four years	5.8	5.8	5.8

Source: Liberal Investment Plan - August 2015

On February 22, 2016, Finance Minister Bill Morneau indicated that, while the 2016-17 federal deficit is on track to hit $18.4 billion before any new spending is announced, new infrastructure spending is still required to bolster the economy. The federal budget will be tabled on March 22, 2016 with more details of what infrastructure spending will look like in the coming year.

US Infrastructure Spending to Grow by 3% Annually

The PricewaterhouseCoopers 2015 Report on Future infrastructure spending in the US forecasts an average of 3% annual growth in infrastructure spending over the next decade. Manufacturing infrastructure is expected to experience the strongest average annual growth at 5%-6%, followed by utilities at 4%-5% growth, social infrastructure at 4% growth, and transportation infrastructure at 3% growth. This will be offset by a contraction in energy infrastructure spending.

Australian Government Commits to $43.9 Billion in Spending

On December 1, 2015 the Australian government committed to $43.9 billion in infrastructure spending as part of the Government’s Economic Action Strategy to boost economic growth and prosperity, increase productivity and support thousands of new jobs. Much of this spending is expected to occur between now and the end of 2020.

General Economic Activity

The performance of the space rentals business is highly correlated with gross domestic product ("GDP"). Here we examine general market conditions in the regions we operate to better understand the performance potential for our space rental products and services.

Canadian Real GDP Grows 0.9% in 2015

Despite ongoing challenges in the oil and gas sector, Canada's Real GDP for 2015 grew 0.9% compared with 2014 according to Statistics Canada's December 2015 GDP report. Real GDP grew by 0.2% in December, and 0.1% in the fourth quarter. The increase in December was due to increased manufacturing and wholesale trade offset by declines in retail trade, utilities, oil and gas extraction, and support activities for mining and oil and gas extraction.

US Posts a 2.4% Increase in Real GDP and Solid Employment Gains in 2015

According to the Second Estimate from the Bureau of Economic Analysis at the US Department of Commerce, Real GDP increased 2.4% in 2015 from 2014 and increased at an annual rate of 1.0% in the fourth quarter of 2015. The US economy has added on average 220,000 jobs/month since January 2015 despite a modest increase to short-term interest rates in December.

Australia

As of the third quarter of 2015 (ended September 30) Australia's Real GDP grew by 0.9% compared with the previous quarter ended June 30, 2015.

Mining

Mining activity can have a positive impact on rental asset utilization for space rentals and workforce accommodation. Ongoing weakness in the mining sector is continuing to negatively impact demand for workforce accommodation units.

Canadian Mining and Quarrying Real GDP Grows 3% in 2015

While mining and quarrying (excluding oil and gas) Real GDP was down 2.1% at the end of the fourth quarter compared with the previous quarter ended September 30, 2015, it was up 3.0% for the year in 2015 compared with 2014, and it rose by 1.7% in December 2015. The gains in December were primarily due to an increase in metal ore and coal mining according to Statistics Canada's December 2015 GDP report.

Australia

The September quarter continues to see the decline in mining related construction, with Engineering construction decreasing 7.1%.

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 audited consolidated financial statements of Black Diamond for the years ended December 31, 2015 and 2014.

	Three months ended December 31			Year ended December 31		
(in thousands, except as noted)	2015	2014	Change	2015	2014	Change
Financial Highlights	$	$	%	$	$	%
Total revenue	51,987	88,814	(41)%	282,186	386,567	(27)%
Gross Profit	25,362	41,030	(38)%	134,655	190,338	(29)%
Administrative Expenses	11,129	14,396	(23)%	50,295	55,968	(10)%
Adjusted EBITDA [(1)]	15,893	28,094	(43)%	89,005	139,619	(36)%
Profit (loss) before taxes	(7,753)	1,863	(516)%	22,666	58,581	(61)%
Profit (loss)	(7,752)	(3,616)	(114)%	8,400	35,038	(76)%
Earnings (Loss) Per share - Basic	(0.19)	(0.09)	(111)%	0.20	0.82	(75)%
- Diluted	(0.19)	(0.09)	(111)%	0.20	0.81	(75)%
Capital expenditures	1,456	46,283	(97)%	49,557	119,778	(59)%
Property & equipment (NBV)	546,571	540,622	1%	546,571	540,622	1%
Total assets	647,488	702,534	(8)%	647,488	702,534	(8)%
Long-term debt	159,163	196,397	(19)%	159,163	196,397	(19)%
Dividends declared	7,398	10,025	(26)%	36,986	39,251	(6)%
Per share ($)	0.18	0.24	(24)%	0.90	0.93	(3)%
Payout ratio [(1)]	43%	42%		43%	31%	

(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 December 31			Year ended December 31		
(Percent of revenue)	2015	2014	Change[(1)]	2015	2014	Change[(1)]
Gross Profit	49%	46%	3%	48%	49%	(1)%
Administrative Expense	21%	16%	5%	18%	14%	4%
Adjusted EBITDA	31%	32%	(1)%	32%	36%	(4)%

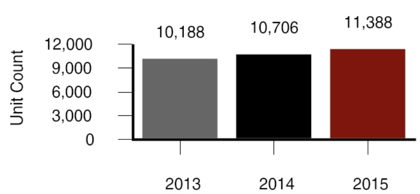
(1) Percentage point basis.

CONSOLIDATED FINANCIAL AND OPERATIONAL REVIEW

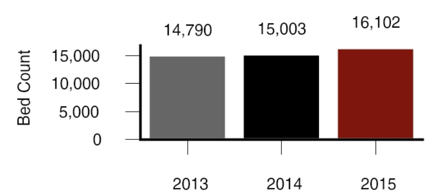
Consolidated Fleet

The consolidated number of rental units in Black Diamond's global fleet increased 6% to 11,388 units at the end of the Quarter compared with 10,706 the year before primarily due to the addition of units that, in many cases, were added under long term contract coupled with lower used fleet sales. Consolidated unit count includes accommodation units, space rental units and surface rental units. Consolidated bedcount in Black Diamond's global fleet increased 7% to 16,102 beds in the Quarter compared with 15,003 beds the year before for the same reasons provided above.

Consolidated Unit Count



Consolidated Bedcount



Fleet Utilization and Rental Rates

	Three months ended December 31,			Twelve months ended December 31,		
	2015	**2014**	**Change (1)**	**2015**	**2014**	**Change (1)**
Structures:						
Workforce Accommodation	51%	70%	(19)	62%	82%	(20)
Space Rentals	66%	74%	(8)	68%	78%	(10)
Energy Services:						
Drilling accommodation unit utilization	25%	57%	(32)	37%	63%	(26)
Surface rental unit utilization	22%	35%	(13)	25%	34%	(9)
International	27%	38%	(11)	27%	51%	(24)
Consolidated	46%	60%	(14)	51%	66%	(15)

(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.

The blended annualized rental rate per unit (annualized rental revenue / utilized units for the period) will fluctuate based on the mix of assets on rent and the market conditions where those assets are rented.

Q4 2015 vs Q4 2014

Workforce accommodation fleet utilization decreased 19 percentage points to 51% in the Quarter compared with 70% in the Comparative Quarter. Space rental fleet utilization decreased 8 percentage points to 66% in the Quarter compared with 74% for the Comparative Quarter. The decrease in utilization across all categories in the Structures, Energy Services and International business units is due to lower business activity resulting from the impact of lower commodity pricing on our business. The decrease in space rentals utilization was not as severe relative to the Company's other asset categories due to the greater geographic, industry and product diversification of this asset class.

The blended annualized rental rate decreased 18% from the Comparative Quarter due to pricing pressure, incentives and rate concessions on renewals in markets exposed to low resource commodity prices.

Total Year 2015 vs 2014

Workforce accommodation fleet utilization decreased 20 percentage points to 62% in 2015 compared with 82% in 2014. Space rental fleet utilization decreased 10 percentage points to 68% in 2015 compared with 78% in 2014. The decrease across all categories is for the same reasons described for the Quarter.

The blended annualized rental rate for 2015 decreased 9% from 2014 for the same reasons described above.

Revenue

	Three months ended December 31,			Twelve months ended December 31,		
($ millions, except as noted)	2015	2014	Change %	2015	2014	Change %
Rental Revenue	23.8	35.6	(33)%	115.5	154.2	(25)%
Lodging Revenue	16.3	26.8	(39)%	87.2	119.2	(27)%
Non-Rental Revenue	11.9	26.4	(55)%	79.5	113.2	(30)%
Revenue	52.0	88.8	(41)%	282.2	386.6	(27)%

	Three months ended December 31,			Twelve months ended December 31,		
Percentage of consolidated revenue	2015	2014	Change (1)	2015	2014	Change (1)
Rental Revenue	46%	40%	6	41%	40%	1
Lodging Revenue	31%	30%	1	31%	31%	—
Non-Rental Revenue	23%	30%	(7)	28%	29%	(1)

(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. Lodging provides turnkey 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.

Q4 2015 vs Q4 2014

Rental revenue for the Quarter was $23.8 million, down 33% or $11.8 million from the Comparative Quarter primarily due to a 14 percentage point year over year decline in consolidated utilization rates and an 18% year over year decrease in the blended annualized rental rate per unit, both of which were largely driven by the decline in commodity prices.

Lodging revenue for the Quarter was $16.3 million, down 39% or $10.5 million from the Comparative Quarter due to a 13% decrease in average beds under management and a 31% decrease in the blended daily lodging rate per occupied bed due to rate concessions tied to previously announced contract extensions, and a decrease in break fees recognized in the Quarter compared with the year before.

Non-rental revenue for the Quarter was $11.9 million, down 55% or $14.5 million from the Comparative Quarter primarily due to a general year over year decrease in used fleet sales and non-rental business activity in western Canada.

Total consolidated revenue for the Quarter was $52.0 million, down 41% or $36.8 million from the Comparative Quarter for the reasons described above.

Total Year 2015 vs 2014

Rental revenue for 2015 was $115.5 million, down 25% or $38.7 million from 2014 due to a 15 percentage point decrease in consolidated utilization from the year before, and a 9% decrease in the blended annualized rental rate per unit, both of which were largely driven by the decline in commodity prices.

Lodging revenue for 2015 was $87.2 million, down 27% or $32.0 million from 2014 due to a 13% decrease in average beds under management and a 14% decrease in the blended daily lodging rate per occupied bed from 2014 for the reasons described above.

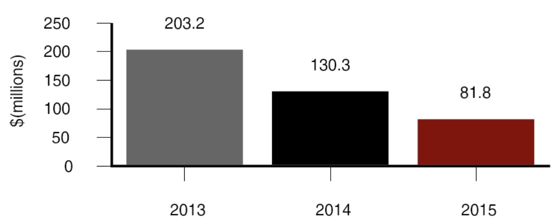
Due to the impact of lower commodity prices on utilization and revenue mentioned above:

- Non-rental revenue for 2015 was $79.5 million, down 30% or $33.7 million from 2014; and
- Total consolidated revenue for 2015 was $282.2 million, down 27% or $104.4 million from 2014

Contracted Future Revenue

Consolidated contracted future revenue decreased 37% to $81.8 million at December 31, 2015 compared with $130.3 million at December 31, 2014 due to fewer long-term contracts being signed in the current environment. Of this, $56.4 million in contracted future revenue is expected to be recognized in 2016. Recent renewals on existing camps have been on a short term or month-to-month basis due to the lack of visibility that energy customers have on commodity pricing. Contracted future revenue does not include these month-to-month arrangements for lodging services or asset rentals, and does not include contracted non-rental revenue.

Consolidated Contracted Future Revenue



Direct Costs and Gross Profit

($ millions, except as noted)	Three months ended December 31, 2015	2014	Change %	Twelve months ended December 31, 2015	2014	Change %
Direct Costs	26.6	47.8	(44)%	147.5	196.2	(25)%
Gross Profit	25.4	41.0	(38)%	134.7	190.3	(29)%

Percentage of Consolidated Revenue.	Three months ended December 31, 2015	2014	Change (1)	Twelve months ended December 31, 2015	2014	Change (1)
Direct Costs	51%	54%	(3)	52%	51%	1
Gross Profit	49%	46%	3	48%	49%	(1)

(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.

Q4 2015 vs Q4 2014

Gross profit for the Quarter was $25.4 million, down 38% or $15.6 million from the Comparative Quarter due to a decrease in revenue stemming from lower utilization and ongoing rate pressure in western Canada. Gross profit margin for the Quarter was 49%, up 3 percentage points from the Comparative Quarter due to poor non-rental margins realized in the fourth quarter of 2014, partially offset by a year over year deterioration in rental and lodging margins for the reasons described above.

Direct costs for the Quarter were $26.6 million, down 44% or $21.2 million from the Comparative Quarter due to lower business activity.

Total Year 2015 vs 2014

Gross profit for 2015 was $134.7 million, down 29% or $55.6 million from 2014 for the same reasons described above. Gross profit margin for 2015 was 48%, down 1 percentage point from 2014 due to ongoing rate pressure across all business lines in western Canada, partially offset through active cost management.

Direct costs for 2015 were $147.5 million, down 25% or $48.7 million from 2014 for the same reasons described above.

Administrative Expenses

Consolidated administrative expenses aggregates both corporate and operating unit administrative expenses.

($ millions, except as noted)	Three months ended December 31, 2015	2014	Change %	Twelve months ended December 31, 2015	2014	Change %
Personnel Costs	5.3	7.1	(25)%	27.4	29.9	(8)%
Other Administrative Expenses	2.4	4.3	(44)%	11.5	14.8	(22)%
Occupancy and Insurance	1.7	1.5	13%	6.8	6.0	13%
Share Based Compensation	1.7	1.5	10%	4.6	5.3	(13)%
Total Administrative expenses	**11.1**	**14.4**	**(23)%**	**50.3**	**56.0**	**(10)%**
% of Consolidated Revenue	21%	16%		18%	14%	

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

Q4 2015 vs Q4 2014

Total administrative expenses for the Quarter were $11.1 million, down 23% or $3.3 million from the Comparative Quarter primarily due to a decrease in personnel expenses related to a reduction in head count and other administrative expenses related to management cost controls. As a percentage of revenue, administrative costs for the Quarter were 21%, up 5 percentage points from the Comparative Quarter due to a certain level of fixed administrative expenses associated with operating and managing the business and fleet.

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

- Personnel costs for the Quarter were $5.3 million, down 25% or $1.8 million from the Comparative Quarter primarily due to a decrease in headcount and a decrease in bonus costs.
- Other administrative expenses for the Quarter were $2.4 million, down 44% or $1.9 million from the Comparative Quarter due to cost control measures put in place by management which reduced expenses related to advertising and promotion, professional and consulting fees, travel and entertainment, and other indirect expenses.
- Occupancy and insurance costs for the Quarter were $1.7 million, up 13% or $0.2 million from the Comparative Quarter due to additional yard rent for off-rent fleet assets.
- Share based compensation for the Quarter was $1.7 million, up 10% or $0.1 million from the Comparative Quarter due to the cancellation of a large number of surrendered outstanding options in the Quarter which required accelerated expense recognition.

Total Year 2015 vs 2014

Total administrative expenses for 2015 were $50.3 million, down 10% or $5.7 million from 2014. The decrease for the year is muted relative to the decrease seen in the Quarter due to the natural lag between Black Diamond's response to the commodity environment in early 2015 and the realization of those savings in the second half of 2015. The decrease is also muted on a comparative basis due to the ramp in costs during 2014 to deal with expected growth.

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

- Personnel costs for 2015 were $27.4 million, down 8% or $2.5 million from 2014 due to a decrease in headcount, lower bonus and recruiting costs, offset slightly by higher severance costs.
- Other administrative expenses for 2015 were $11.5 million, down 22% or $3.3 million from 2014 for the same reasons described above.
- Occupancy and insurance costs for 2015 were $6.8 million, up 13% or $0.8 million from 2014 due to additional yard rent for off-rent fleet assets.
- Share based compensation for 2015 was $4.6 million, down 13% or $0.7 million from 2014 due to the lower fair value of options vesting through the year, partially offset by the cancellation of a large number of outstanding options in the Quarter which required accelerated expense recognition.

Adjusted EBITDA

($ millions, except as noted)	Three months ended December 31, 2015	2014	Change %	Twelve months ended December 31, 2015	2014	Change %
Adjusted EBITDA [(1)]	15.9	28.1	(43)%	89.0	139.6	(36)%
% of Consolidated Revenue	31%	32%		32%	36%	

(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.

Q4 2015 vs Q4 2014

Adjusted EBITDA for the Quarter was $15.9 million, down 43% or $12.2 million from the Comparative Quarter due primarily to a decrease in revenue. Adjusted EBITDA margin for the Quarter was 31%, down 1 percentage point from the Comparative Quarter because gross profit decreased at a faster rate than administrative expenses, partially offset by higher margin rental revenue representing a greater proportion of total revenue.

Total Year 2015 vs 2014

Adjusted EBITDA for 2015 was $89.0 million, down 36% or $50.6 million from 2014 for the same reasons described above. Adjusted EBITDA margin for 2015 was 32%, down 4 percentage points from 2014 for the same reasons provided above.

Depreciation and Amortization

	Three months ended December 31,			Twelve months ended December 31,		
($ millions, except as noted)	2015	2014	Change %	2015	2014	Change %
Depreciation and amortization	14.7	14.6	1%	56.8	54.8	4%
% of Property and equipment	3%	3%		10%	10%	

Q4 2015 vs Q4 2014

Depreciation and amortization for the Quarter was $14.7 million, up 1% or $0.1 million from the Comparative Quarter due to an increase in the overall fleet, primarily in the Structures business unit.

Total Year 2015 vs 2014

Depreciation and amortization for 2015 was $56.8 million, up 4% or $2 million from 2014 for the same reasons described above as the majority of the additions to fleet units occurred early in the year.

Finance Costs

	Three months ended December 31,			Twelve months ended December 31,		
($ millions, except as noted)	2015	2014	Change %	2015	2014	Change %
Finance cost	2.0	2.0	—%	8.4	7.6	11%
Long-term debt	159.2	196.4	(19)%	159.2	196.4	(19)%
Average interest rate	3.78%	4.42%	(14)%	3.86%	4.63%	(17)%

Q4 2015 vs Q4 2014

Finance costs for the Quarter remained at $2.0 million from the Comparative Quarter. Finance costs related to negotiating credit facilities in 2015 were expensed during the Quarter, increasing finance costs despite a reduction of the senior secured note and a lower average interest rate.

Total Year 2015 vs 2014

Finance costs for 2015 were $8.4 million, up 11% or $0.8 million from 2014 due to an increase in average loans outstanding under the committed extendible revolving operating facility, offset by a reduction of the senior secured note and a lower average interest rate.

Income Tax

($ millions, except as noted)	Three months ended December 31, 2015	2014	Change %	Twelve months ended December 31, 2015	2014	Change %
Current tax expense (recovery)	(1.1)	0.5	(340)%	3.3	11.8	(72)%
Deferred tax	0.9	3.2	(71)%	8.2	6.4	29%
Total tax	(0.2)	3.7	(105)%	11.5	18.2	(37)%

Q4 2015 vs Q4 2014

For the Quarter, Black Diamond recognized a current income tax recovery of $1.1 million, down 340% or $1.6 million from 2014 and a deferred income tax provision of $0.9 million, down 71% or $2.3 million from 2014. The decrease in total tax in the Quarter is reflective of lower business activity, partially offset by a higher effective tax rate year-over-year (explained more fully below).

Total Year 2015 vs 2014

For 2015, Black Diamond recognized a current income tax provision of $3.3 million, down 72% or $8.5 million from 2014 and a deferred income tax provision of $8.2 million, up 29% or $1.8 million from 2014. Similar to other companies operating in Alberta, Black Diamond's effective tax rate has increased from the year before. The primary increase to Black Diamond's effective tax rate was due to a 20% increase in the Alberta corporate income tax rate. The overall decrease in tax expense is reflective of 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 26.03% in Canada, 40% in the US 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.

($ millions, except as noted)	Three months ended December 31, 2015	2014	Change %	Twelve months ended December 31, 2015	2014	Change %
Non-controlling interest	0.2	1.8	(89)%	2.7	5.4	(50)%

Q4 2015 vs Q4 2014

The NCI for the Quarter was $0.2 million, down 89% or $1.6 million from the Comparative Quarter due to decreased rental and ancillary revenues earned through the limited partnerships caused by lower utilization as a result of lower commodity prices.

Total Year 2015 vs 2014

The NCI for 2015 was $2.7 million, down 50% or $2.7 million from 2014 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

($ millions, except as noted)	Three months ended December 31, 2015	2014	Change %	Twelve months ended December 31, 2015	2014	Change %
Net income (loss)	(7.8)	(3.6)	(117)%	8.4	35.0	(76)%

Q4 2015 vs Q4 2014

A net loss of $7.8 million was recorded for the Quarter compared with a net loss of $3.6 million the Comparative Quarter primarily due to a $36.8 million decrease in revenue partially offset by a $3.3 million decrease in administrative expenses and a $2.9 million decrease in non-cash charges recognized in the Quarter compared with the year before. The $5.3 million in non-cash charges recognized in the Quarter include a $1.4 million impairment of goodwill in Energy Services, a $1.2 million write-down in peripheral surface rental assets in Energy Services, and a share of loss of an associate (Northern Frontier) in the amount of $2.7 million. For comparison, the Company recognized $8.2 million in non-cash charges in the Comparative Quarter in 2014 for the impairment of goodwill and intangible assets in the International business unit.

Total Year 2015 vs 2014

Net income for 2015 was $8.4 million, down 76% or $26.6 million from 2014 due to a $104.4 million decrease in revenue partially offset by a $5.7 million decrease in administrative expenses, a $6.7 million decrease in tax expense, an $8.8 million non-cash gain on the sale of the construction services operation recorded in the third quarter, and an $8.2 million decrease in non-cash charges in 2015 compared with 2014. The $5.3 million in non-cash charges recognized in 2015 are described above. For comparison, the $13.4 million in non-cash charges recognized in 2014 include the $8.2 million write down described above, and the $5.2 million provision for a guarantee of debt in connection with the Company's 20% interest in Britco APB's modular building manufacturing business in Australia incurred in the second quarter of 2014.

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 Quarter and 2015, detailing revenues and 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, 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 December 31			Twelve months ended December 31		
(in thousands, except where noted)	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
	$	**$**	**%**	**$**	**$**	**%**
Revenue						
Structures	31,000	52,806	(41)%	169,732	220,745	(23)%
Logistics	16,339	26,801	(39)%	87,189	119,191	(27)%
Energy Services	3,242	7,212	(55)%	17,962	32,444	(45)%
International	1,406	1,995	(30)%	7,303	14,187	(49)%
Total Revenue	**51,987**	**88,814**	**(41)%**	**282,186**	**386,567**	**(27)%**

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, the impairment and write-down of property, plant and equipment, gain on sale of construction services operation, deferred and current taxes, non-controlling interest, and share based compensation.

	Three months ended December 31			Twelve months ended December 31		
(in thousands, except where noted)	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
	$	**$**	**%**	**$**	**$**	**%**
Adjusted EBITDA						
Structures	15,657	22,662	(31)%	81,914	118,468	(31)%
Logistics	2,236	8,969	(76)%	18,872	28,124	(33)%
Energy Services	349	2,111	(86)%	4,126	10,095	(59)%
International	36	393	(91)%	921	4,550	(80)%
Corporate	(2,385)	(6,041)	61 %	(16,828)	(21,618)	22 %
Total Adjusted EBITDA	**15,893**	**28,094**	**(43)%**	**89,005**	**139,619**	**(36)%**

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.

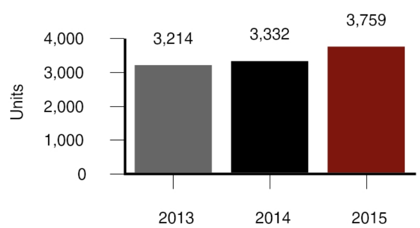
Space Rentals provide high quality, cost effective, modular space rentals to customers throughout North America. These customers operate in the construction, real estate development, manufacturing, education and resource industries, and also include government agencies. Products include office units, 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 rental units and provides delivery, installation, project management and ancillary products and services which appear as "non-rental revenue".

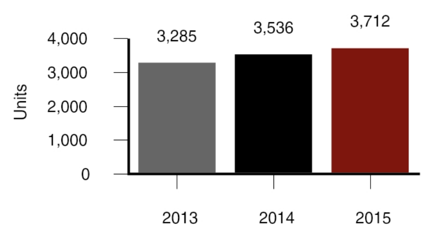
Structures Fleet

The workforce accommodation fleet consisted of 3,759 units during the Quarter, up 13% from 3,332 units the year before 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 3,712 units during the Quarter, up 5% from 3,536 units the year before due to fleet that was added under long term contract in eastern Canada and the US coupled with lower used fleet sales.

Workforce Accommodation Units

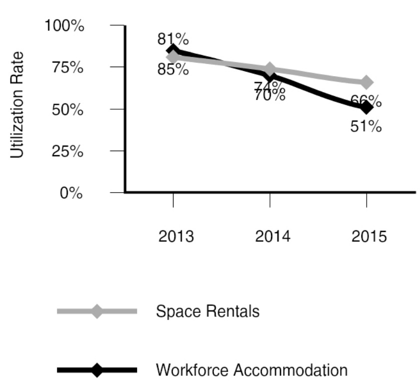


Space Rental Units

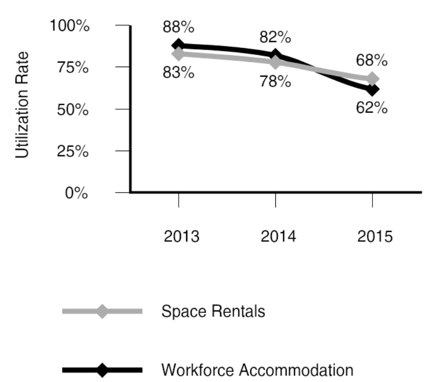


Structures Fleet Utilization and Rental Rates

Quarter Over Quarter Utilization



Year Over Year Utilization



	Three months ended December 31			Twelve months ended December 31		
	2015	2014	Change %	2015	2014	Change %
Workforce accommodation units	3,759	3,332	13%	3,759	3,332	13%
Average utilization	51%	70%		62%	82%	
Workforce accommodation bedcount	13,360	12,339	8%	13,360	12,339	8%
Space rental units in fleet	3,712	3,536	5%	3,712	3,536	5%
Average utilization	66%	74%		68%	78%	

The blended annualized rental rate per unit (annualized rental revenue / utilized units for the period) will fluctuate based on the mix of assets on rent and the market conditions where those assets are rented.

Q4 2015 vs Q4 2014

Workforce accommodation utilization for the Quarter was 51%, a 19 percentage point decrease from the Comparative Quarter. Space rental utilization for the Quarter was 66%, an 8 percentage point decrease from the Comparative Quarter. Utilization rates decreased in both categories as a result of the impact of decreasing energy prices on our customers' activities.

The blended annualized rental rate for the Quarter decreased 19% from the Comparative Quarter due to rate pressure in markets exposed to low resource commodity prices.

Total Year 2015 vs 2014

Workforce accommodation utilization for 2015 was 62%, a 20 percentage point decrease from the year before. Space rental utilization for 2015 was 68%, an 10 percentage point decrease from the year before. Utilization rates decreased in both categories due to a decrease in activity.

The blended annualized rental rate for 2015 decreased 11% from 2014 for the same reasons provided above.

Financial Highlights

	Three months ended December 31			Twelve months ended December 31		
($ millions, except as noted)	2015	2014	Change %	2015	2014	Change %
Total Revenue	31.0	52.8	(41)%	169.7	220.7	(23)%
Rental Revenue	20.9	29.2	(28)%	99.8	126.3	(21)%
Non-Rental Revenue	10.1	23.6	(57)%	69.9	94.4	(26)%
Adjusted EBITDA	15.7	22.7	(31)%	81.9	118.5	(31)%

	Three months ended December 31			Twelve months ended December 31		
Percentage of Structures Revenue	2015	2014	Change (1)	2015	2014	Change (1)
Rental Revenue	67%	55%	12	59%	57%	2
Non-Rental Revenue	33%	45%	(12)	41%	43%	(2)
Adjusted EBITDA	51%	43%	8	48%	54%	(6)

(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.

Q4 2015 vs Q4 2014

The Structures business unit's total revenue for the Quarter was $31.0 million, down 41% or $21.8 million from the Comparative Quarter. Year-over-year differences are reviewed in the breakdown of revenue into its various components below:

- Rental revenue for the Quarter was $20.9 million, down 28% or $8.3 million from the Comparative Quarter due to lower average utilization and rate pressure in western Canada; and
- Non-rental revenue for the Quarter was $10.1 million, down 57% or $13.5 million from the Comparative Quarter due to lower used fleet sales and lower activity associated with installation and demobilization operations.

Adjusted EBITDA for the Quarter was $15.7 million, down 31% or $7.0 million from the Comparative Quarter primarily due to a significant reduction in revenue during the Quarter. Adjusted EBITDA as a percentage of revenue increased in the Quarter to 51% compared with 43% the Comparative Quarter. The year-over-year increase is due to the fact that rental revenue was a higher percentage of total revenue for the segment and lower than average realized profit margins on non-rental installation projects in Q4 2014.

Total Year 2015 vs 2014

The Structures business unit's total revenue for 2015 was $169.7 million, down 23% or $51.0 million from 2014. Year-over-year differences are reviewed in the breakdown of revenue into its various components below:

- Rental revenue for 2015 was $99.8 million, down 21% or $26.5 million from 2014 for the reasons described above; and
- Non-rental revenue for 2015 was $69.9 million, down 26% or $24.5 million from 2014. The year-over-year decrease is due to the sale of a large camp north of Fort McMurray in the first quarter of 2014, lower used fleet sales in 2015 and lower activity associated with installation and demobilization operations in 2015.

Adjusted EBITDA for 2015 was $81.9 million, down 31% or $36.6 million from 2014 primarily due to the significant reduction in revenue during the year for the reasons described above. Adjusted EBITDA as a percentage of revenue decreased to 48% for 2015 compared with 54% in 2014 due to the fact that administrative costs did not decrease as quickly as revenue due to the lag in being able to address semi-fixed costs such as occupancy and insurance. Repairs and maintenance costs also increased as a percentage of revenue due to declining utilization.

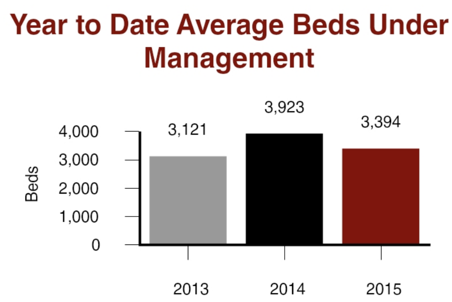
Contracted Future Revenue

At December 31, 2015, the weighted average remaining contract rental term outstanding was approximately 12 months (2014: 10 months). Contracted rental revenue commitments in place as at December 31, 2015 totaled $64.0 million (2014: $90.6 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.

Beds Under Management and Lodging Rates



	Three months ended December 31,			Twelve months ended December 31,		
Average Beds Under Management	2015	2014	Change %	2015	2014	Change %
Owned by Black Diamond	2,718	2,551	7%	2,771	2,870	(3)%
Leased from third parties	264	902	(71)%	479	909	(47)%
Managed on behalf of third parties	144	144	—%	144	144	—%
Consolidated	3,126	3,597	(13)%	3,394	3,923	(13)%

The blended daily lodging rate per occupied bed will fluctuate based on market conditions, length of customer commitment, break fees recognized in the period, the standard of accommodations being provided, the location of the camps being occupied (with remote locations costing more to serve) and the mix between the type of beds being managed. Black Diamond has two types of managed beds: Day-rate beds which have variable margins and cost-plus beds which have fixed margins. Day-rate beds generally earn higher margins than cost-plus beds where the Company manages the beds on behalf of its customers and earns a fixed margin with reduced risk.

Q4 2015 vs Q4 2014

The average number of beds under management during the quarter was 3,126, a 13% decrease from the Comparative Quarter due to a decrease in oil and gas activity in western Canada.

The blended daily lodging rate per occupied bed for the Quarter decreased 31% from the Comparative Quarter due to rate concessions tied to previously announced contract extensions, and a decrease in break fees recognized in the Quarter compared with the year before.

Total Year 2015 vs 2014

The average number of beds under management in 2015 was 3,394, a 13% decrease from 2014 for the same reasons provided above.

The blended daily lodging rate per occupied bed in 2015 decreased 14% from 2014 for the same reasons described above.

Financial Highlights

($ millions, except as noted)	Three months ended December 31, 2015	2014	Change %	Twelve months ended December 31, 2015	2014	Change %
Lodging Revenue [(1)]	16.3	26.8	(39)%	87.2	119.2	(27)%
Adjusted EBITDA	2.2	9.0	(76)%	18.9	28.1	(33)%

Percentage of Lodging Revenue	Three months ended December 31, 2015	2014	Change [(2)]	Twelve months ended December 31, 2015	2014	Change [(2)]
Adjusted EBITDA	13%	34%	(21)	22%	24%	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 under management, occupancy levels at the camps, the type of camps being occupied, break fees, and the initiation and completion of large projects.

Q4 2015 vs Q4 2014

Lodging revenue for the Quarter was $16.3 million, down 39% or $10.5 million from the Comparative Quarter due to a 13% decrease in average beds under management, a 12% decrease in occupancy levels, and a 31% decrease in the blended daily lodging rate per occupied bed due to rate concessions tied to previously announced contract extensions, and a decrease in break fees recognized in the Quarter compared with the year before. Lodging revenue was lower than expected in the Quarter due to lower occupancy levels early in the Quarter. Given customer commitments this revenue is expected to be realized in the first quarter of 2016.

Lodging Adjusted EBITDA for the Quarter was $2.2 million, down 76% or $6.8 million from the Comparative Quarter, primarily due to reduced revenue. Adjusted EBITDA margin for the Quarter was 13%, as a percentage of Logistics revenue, compared with 34% the year before due to rate concessions mentioned above, a decrease in break fees recognized in the Quarter compared with the year before, partially offset by an increase in the proportion of day-rate beds that were occupied compared with cost-plus beds.

Total Year 2015 vs 2014

Lodging revenue for 2015 was $87.2 million, down 27% or $32.0 million from 2014 due to a 13% decrease in average beds under management, a 15% decrease in occupancy levels, and a 14% decrease in the blended daily lodging rate per occupied bed from 2014 for the reasons described above.

Lodging Adjusted EBITDA for 2015 was $18.9 million, down 33% or $9.2 million from 2014 for the same reasons described above. 2015 Adjusted EBITDA margin, as a percentage of the Logistics business unit's revenue, was two percentage points lower than 2014 due to the management of lodging input costs in line with price concessions provided to customers in addition to the reasons provided above.

Contracted Future Revenue

Contracted minimum man day and lodging service revenue commitments in place as at December 31, 2015 totaled $14.5 million (2014: $35.7 million) for the camps operated by the Logistics business unit. This excludes the rental of equipment, which is reported in the Structures business unit. The decrease is primarily due to the normal aging of current contracts, rate concessions provided as an incentive for long-term contracts, and a slow down in new business activity in western Canada.

Logistics endeavours to secure minimum man-day commitments for its day-rate camps to protect these camps from downside risks, maintain a target return on capital, and to achieve a better rate from our catering vendors on behalf of the customer. However, given the lack of forward visibility on oil pricing, western Canadian energy customers are preferring shorter term commitments.

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.

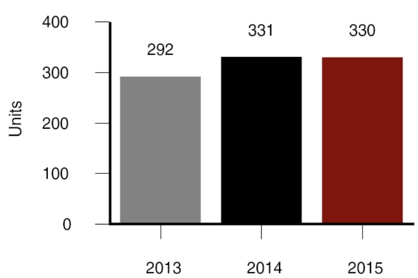
The business unit also provides complete installation, maintenance and catering services (operations) and defines this as non-rental revenue.

Energy Services Fleet

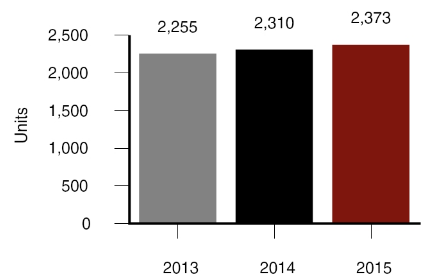
The number of drilling accommodation units in the rental fleet decreased by 1 year over year to 330. The surface rental fleet increased 3% to 2,373 units in the Quarter from 2,310 units in the Comparative Quarter mainly due to additional rig mats for a client project.

As part of the Company's annual asset impairment review, we identified some peripheral rental assets that no longer fit our customers' long term requirements. We are therefore writing these peripheral rental assets down to liquidation value and will be disposing of them in the near term. As a result, surface rental equipment was written down by $1.2 million in the quarter.

Drilling Accommodation Units

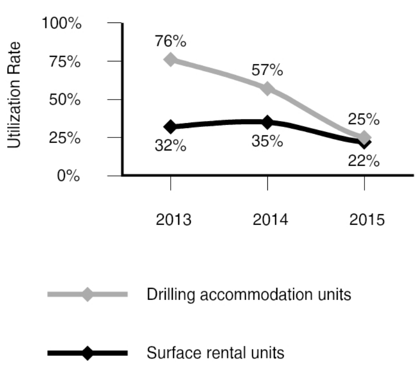


Surface Rental Equipment

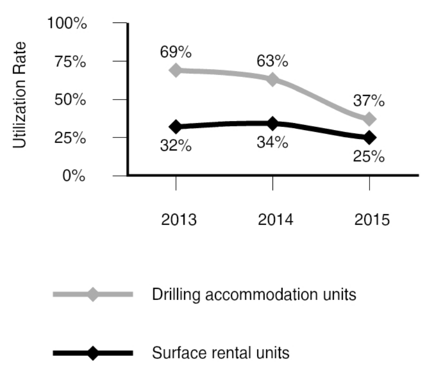


Energy Services Fleet Utilization and Rental Rates

Quarter Over Quarter Utilization



Year Over Year Utilization



	Three months ended December 31,			Twelve months ended December 31,		
	2015	2014	Change %	2015	2014	Change %
Drilling accommodation units	330	331	—%	330	331	—%
Average utilization	25%	57%		37%	63%	
Drilling accommodation bedcount	966	968	—%	966	968	—%
Surface rental units	2,373	2,310	3%	2,373	2,310	3%
Average utilization	22%	35%		25%	34%	

The blended annualized rental rate per unit (annualized rental revenue / utilized units for the period) will fluctuate based on the mix of assets on rent and the market conditions where those assets are rented.

Q4 2015 vs Q4 2014

Drilling accommodation utilization for the Quarter was 25%, a 32 percentage point decrease from the Comparative Quarter. Surface rental utilization for the Quarter was 22%, an 13 percentage point decrease from the Comparative Quarter.

A further decline in realized oil prices in the fourth quarter and continued low natural gas prices caused many customers in the Western Canadian Sedimentary Basin to conclude their drilling and completion operations roughly three weeks earlier than normal in December. For the Quarter, the Canadian Association of Oilwell Drilling Contractors ("CAODC") reported an average monthly drilling rig count of 168, down 56% or 216 drilling rigs from 384 the year before. Another factor that reduced utilization year over year was the absence of demand for well site accommodation units for flood relief compared with the year before.

The blended annualized rental rate for the Quarter decreased by 35% from the Comparative Quarter due to pricing pressure in western Canada and the mix of assets on rent.

Total Year 2015 vs 2014

Drilling accommodation utilization for 2015 was 37%, a 26 percentage point decrease from the year before. Surface rental utilization for 2015 was 25%, a 9 percentage point decrease from 2014.

Utilization rates decreased in both categories due to a decrease in activity. The CAODC reported an average monthly drilling rig count of 184 for 2015, down 50% or 186 drilling rigs from 370 in 2014.

The blended annualized rental rate for 2015 decreased 21% from 2014 for the same reasons provided above.

Financial Highlights

	Three months ended December 31,			Twelve months ended December 31,		
($ millions, except as noted)	2015	2014	Change %	2015	2014	Change %
Revenue	3.2	7.2	(56)%	18.0	32.5	(45)%
Rental Revenue	1.9	4.8	(60)%	11.0	19.2	(43)%
Non-Rental Revenue	1.3	2.4	(46)%	7.0	13.3	(47)%
Adjusted EBITDA	0.3	2.1	(86)%	4.1	10.1	(59)%

Percentage of Energy Services Revenue	Three months ended December 31, 2015	2014	Change (1)	Twelve months ended December 31, 2015	2014	Change (1)
Rental Revenue	59%	67%	(8)	61%	59%	2
Non-Rental Revenue	41%	33%	8	39%	41%	(2)
Adjusted EBITDA	9%	29%	(20)	23%	31%	(8)

(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 normally higher and reduced utilization rates during the spring and summer months. However, the typical seasonal increase in utilization normally seen in the fourth quarter was absent in 2015.

Q4 2015 vs Q4 2014

Rental revenue for the Quarter was $1.9 million, down 60% or $2.9 million from the Comparative Quarter due to a decrease in average utilization and realized rental rates.

Non-Rental revenue for the Quarter was $1.3 million, down 46% or $1.1 million from the Comparative Quarter due to the decrease in drilling and completion activity in western Canada explained above.

Adjusted EBITDA for the Quarter was $0.3 million, down 86% or $1.8 million from the Comparative Quarter due to the decrease in overall revenue and the impact of pricing pressure on gross margins, both of which were the result of the decline in drilling and completion activity related to lower commodity prices for oil and natural gas. Adjusted EBITDA as a percentage of revenue was 9% for the Quarter compared with 29% from the Comparative Quarter due to the combined impact of a change in revenue mix (a greater proportion of lower margin non-rental revenue) and administrative expenses as a percentage of revenue.

Total Year 2015 vs 2014

Rental revenue for 2015 was $11.0 million, down 43% or $8.2 million from 2015 for the reasons described above.

Non-Rental revenue for 2015 was $7.0 million, down 47% or $6.3 million from 2014 for the reasons described above.

Adjusted EBITDA for the YTD was $4.1 million, down 59% or $6.0 million from the year before for the reasons described above. Adjusted EBITDA as a percentage of revenue for the YTD was 23% compared with 31% the year before for the same reasons provided above.

Contracted Future Revenue

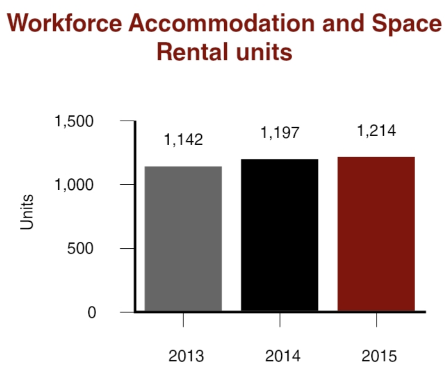
At December 31, 2015, the weighted average remaining contract rental term outstanding was approximately two months (2014: one month). Committed rental revenue from contracts in place as at December 31, 2015 was $1.8 million (2014: $2.2 million).

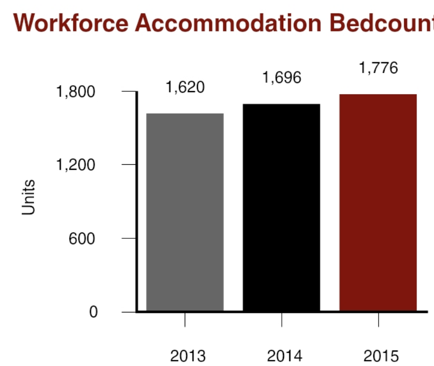
INTERNATIONAL BUSINESS UNIT

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.

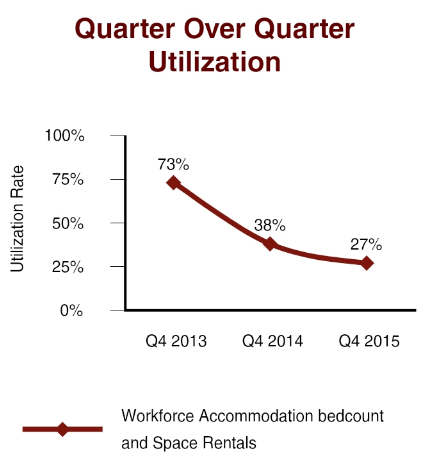
International Fleet

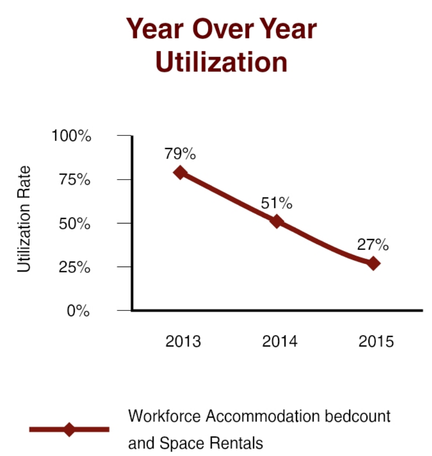
The number of workforce accommodation and space rental units in the International rental fleet was 1,214 at the end of the Quarter, up 1% or 17 units from the year before.





International Utilization and Rental Rates





	Three months ended December 31,			Twelve months ended December 31,		
	2015	**2014**	**Change %**	**2015**	**2014**	**Change %**
Workforce accommodation and space rental units	**1,214**	1,197	1%	**1,214**	1,197	1%
Workforce accommodation bedcount	**1,776**	1,696	5%	**1,776**	1,696	5%
Average utilization	**27%**	38%		**27%**	51%	

The blended annualized rental rate per unit (annualized rental revenue / utilized units for the period) will fluctuate based on the mix of assets on rent and the market conditions where those assets are rented.

Q4 2015 vs Q4 2014

Workforce accommodation and space rental utilization for the Quarter was 27%, an 11 percentage point decrease from the Comparative Quarter.

The blended annualized rental rate for the Quarter decreased 13% from the Comparative Quarter.

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.

Total Year 2015 vs 2014

Workforce accommodation and space rental utilization for 2015 was 27%, a 24 percentage point decrease from 2014 for the same reasons provided above.

The blended annualized rental rate for 2015 increased by 1% from 2014 due to a change in the mix and value of assets on rent.

Financial Highlights

	Three months ended December 31,			Twelve months ended December 31,		
($ millions, except as noted)	**2015**	**2014**	**Change %**	**2015**	**2014**	**Change %**
Revenue	1.4	2.0	(30)%	7.3	14.2	(49)%
Rental Revenue	1.0	1.6	(38)%	4.7	8.7	(46)%
Non-Rental Revenue	0.4	0.4	—%	2.6	5.5	(53)%
Adjusted EBITDA	—	0.4	(91)%	0.9	4.6	(80)%

	Three months ended December 31,			Twelve months ended December 31,		
Percentage of International Revenue	**2015**	**2014**	**Change (1)**	**2015**	**2014**	**Change (1)**
Rental Revenue	71%	80%	(9)	64%	61%	3
Non-Rental Revenue	29%	20%	9	36%	39%	(3)
Adjusted EBITDA	3%	20%	(17)	13%	32%	(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.

Q4 2015 vs Q4 2014

Rental revenue for the Quarter was $1.0 million, down 38% or $0.6 million from the Comparative Quarter due to an 11 percentage point decrease in utilization and a 13% decrease in the blended annualized rental rate from the Comparative Quarter.

Non-Rental revenue for the Quarter was $0.4 million, broadly in line with the Comparative Quarter.

Adjusted EBITDA for the Quarter was nil, down 91% or $0.4 million from the Comparative Quarter due to a decrease in overall revenue.

Total Year 2015 vs 2014

Rental revenue for 2015 was $4.7 million, down 46% or $4.0 million from 2014 due to a 24 percentage point decrease in utilization partially offset by a 1% increase in the blended annualized rental rate from 2014.

Non-Rental revenue for 2015 was $2.6 million, down 53% or $2.9 million from 2014 for the reasons described above.

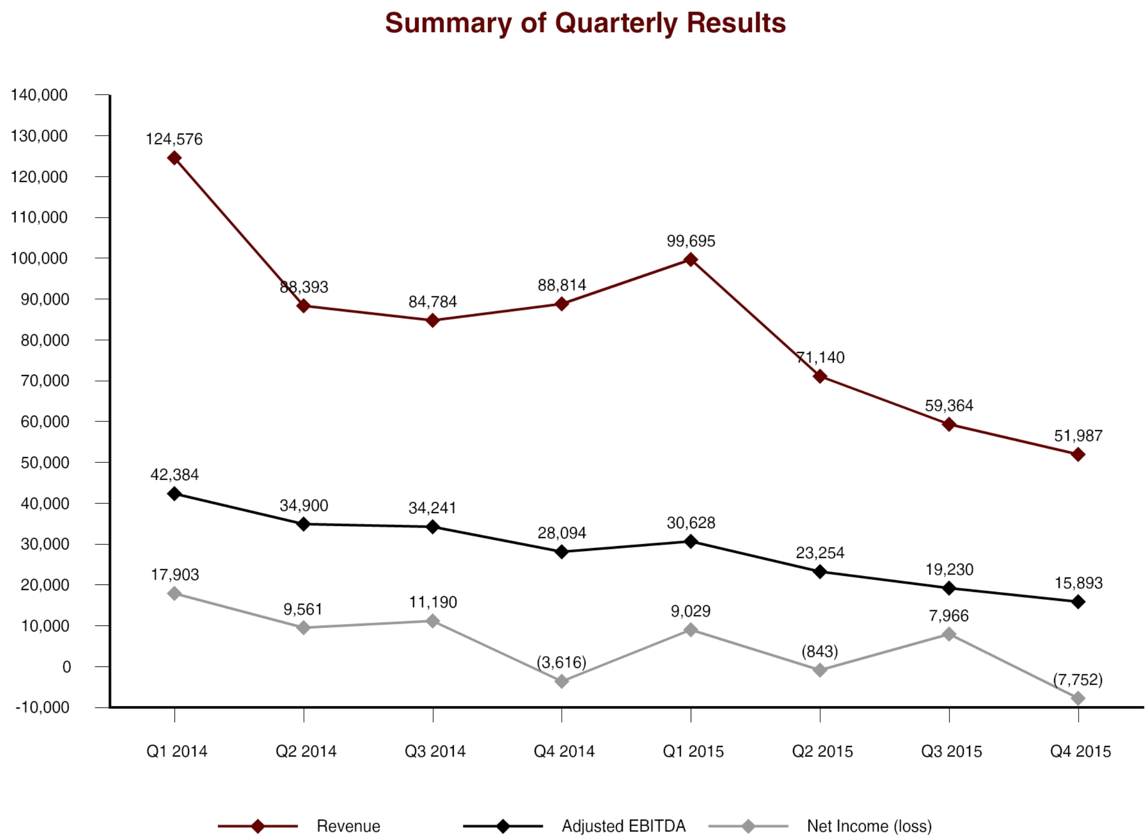
Adjusted EBITDA for 2015 was $0.9 million, down 80% or $3.6 million from 2014 for the reasons described above.

Contracted Future Revenue

As at December 31, 2015, the weighted average remaining contract rental term outstanding was approximately four months (2014: three months) and the committed rental revenue from contracts in place was $1.5 million (2014: $1.8 million).

SUMMARY OF QUARTERLY RESULTS

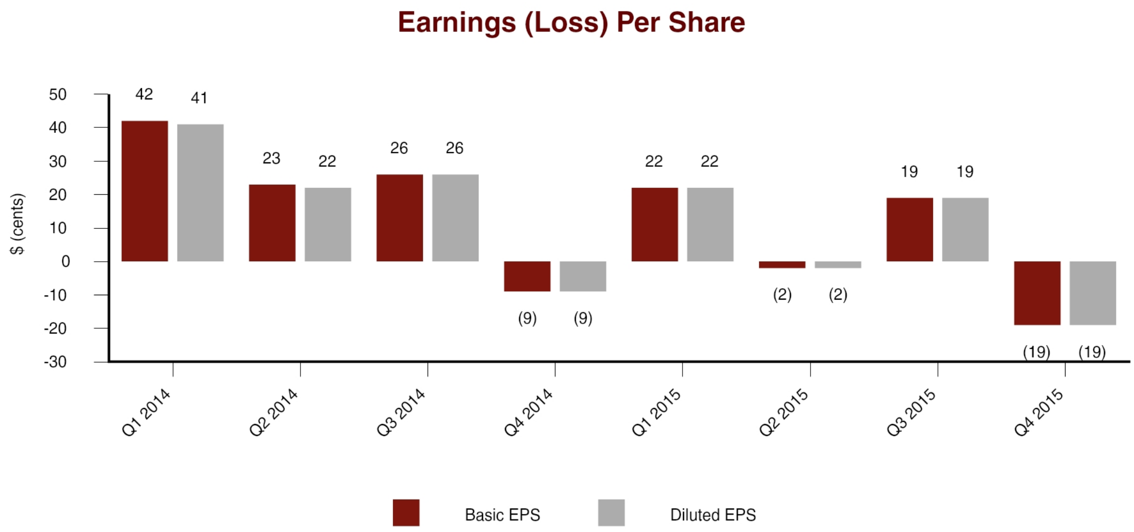
The following is a summary of the previous eight quarters:



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 with 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 $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.
7. In Q4 2015 lower revenue was primarily driven by lower business activity consistent with Q2 and Q3 2015 for the same reasons described above. An impairment loss of $1.4 million, a write-down of property and

equipment of $1.2 million and a share in loss of associate of $2.7 million also contributed to the net loss in Q4.



LIQUIDITY & CAPITAL RESOURCES

Cash Requirements

Contractual Obligations and Other Commitments

At December 31, 2015, Black Diamond had made capital expenditure commitments with key manufacturers of modular structures in the amount of $2.7 million for delivery of modular structures 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 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 $1.5 million (Comparative Quarter – $46.3 million) on additions to property and equipment. The additions consisted of:

($ millions, except as noted)	2015	2014	$ Change	% Change
Structures	1.5	33.5	(32.0)	(96)%
Energy Services	—	5.6	(5.6)	(100)%
Logistics	—	0.6	(0.6)	(100)%
International	—	4.6	(4.6)	(100)%
Corporate	—	2.0	(2.0)	(100)%
	1.5	46.3	(44.8)	(97)%

For 2015, Black Diamond expended $49.6 million (2014 – $119.8 million) on additions to property and equipment. The additions consisted of:

($ millions, except as noted)	2015	2014	$ Change	% Change
Structures	43.4	91.8	(48.4)	(53)%
Energy Services	1.4	9.4	(8.0)	(85)%
Logistics	0.3	3.3	(3.0)	(91)%
International	4.4	10.1	(5.7)	(56)%
Corporate	—	5.3	(5.3)	(100)%
	49.6	119.8	(70.2)	(59)%

Sources and Uses of Cash

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

($ millions, except as noted)	2015	2014	$ Change	% Change
Cash from operating activities	137.3	170.9	(33.6)	(20)%
Cash used in investing activities	(66.2)	(116.6)	50.4	43%
Cash used in financing activities	(86.4)	(66.1)	(20.3)	(31)%
Total cash decrease	(15.3)	(11.8)	(3.5)	(30)%

Liquidity needs can be met through a variety of sources, including: available cash, cash generated from operations, drawdowns under the Company's committed extendible revolving credit facility, issuances of common shares and short-term borrowings under the Company's lines of credit. 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 $33.6 million lower in 2015 than in 2014 primarily due to a reduction in profit for the year.

Cash used in investing activities was $50.4 million lower in 2015 than in 2014 primarily due to lower capital spending.

Cash used in financing activities was $20.3 million higher in 2015 than in 2014 primarily due to repayment of principal on the senior secured notes.

Working Capital

The following table presents summarized working capital information:

($ millions, except as noted)	December 31, 2015	December 31, 2014	$ Change	% Change
Current assets	51.0	116.3	(65.3)	(56)%
Current liabilities	41.0	65.3	(24.3)	(37)%
Working capital	10.0	51.0	(41.0)	(80)%

The decrease in current assets of $65.3 million from December 31, 2014 was largely due to a decrease in accounts receivable of $51.4 million, and a decrease of $14.6 million in cash and cash equivalents. The decrease in accounts receivable balance is due to decreased revenues and improvements in the collection process.

The decrease in current liabilities of $24.3 million from December 31, 2014 was largely due to a decrease of $18.0 million of accounts payable and accrued liabilities and a decrease of $5.0 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 lower capital spending.

Principal Debt Instruments:

As of December 31, 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 $70.0 million is drawn at December 31, 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 December 31, 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 December 31, 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.

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 parties subject to certain conditions in the committed extendible revolving operating facility.

Effective April 1, 2013, the Company entered into an offset banking system with Bank of Montreal ("BMO") whereby BMO will calculate its compensation for operation of the accounts and the availability of credit to the Company on a net basis over all its designated Canadian dollar accounts provided each account and the consolidation of all accounts is maintained within credit limits. Accordingly, the cash and cash equivalents for the Canadian dollar denominated accounts is reflected on a net basis in the Consolidated Statement of Financial Position.

Effective February 1, 2016, the Company entered into an account consolidation agreement which allows for the inclusion of US dollar accounts in the compensation calculation noted above.

As at December 31, 2015, the Company's draws under the committed extendible revolving operating facility were comprised of $1.0 million related to an overdraft balance (December 31, 2014 - $nil), $69.0 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 twelve months ended December 31, 2015, the average interest rate applied to amounts drawn on the committed extendible revolving operating facility was 2.58% and 2.69% (2014 - 3.55% and 3.75%), 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 December 31, 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 December 31, 2015, the Company's draws under the demand operating facility were $nil (December 31, 2014 - $nil). At December 31, 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 December 31, 2015, the effective interest rate was 4.0% (December 31, 2014 - 4.0%). The facility is secured by a corporate guarantee issued by Black Diamond Limited Partnership. As at December 31, 2015, the Company's draws under the US demand operating facility were $nil (December 31, 2014 - $nil).

Black Diamond, through an indirect wholly owned Australian subsidiary, has a 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 December 31, 2015, the effective interest rate was 3.12% (December 31, 2014 - 3.69%). The facility is secured by a corporate guarantee issued by Black Diamond Limited Partnership. As at December 31, 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 senior secured credit facility, have a principal amount of $62,000, 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 extendible 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. The 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 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.

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, and interest costs. During the Quarter, Black Diamond exercised discretion with respect to cash outflows related to capital expenditures and dividends in response to changing cash flows from operations. As a result of this prudent cash management strategy Black Diamond decreased it's long-term debt by $37.2 million year over year as at December 31, 2015, strengthening the Balance Sheet, and reducing net debt to EBITDA for the Quarter to 1.73 from 1.82 in the third quarter of 2015. 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 room under its existing credit facilities and the ability to raise 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 December 31, 2015	Required	Actual
Funded Debt to Bank EBITDA Ratio	≤ 3.00:1	1.86
Interest Coverage Ratio	≥ 3.00:1	11.49

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

Covenant as at December 31, 2015	Required	Actual
Current Ratio	≥ 1.25:1	13.46
Interest Coverage Ratio	≥ 3.00:1	76.18

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 December 31, 2015 provided there will be no further NCIB purchases during this period without the lenders prior approval. As at December 31, 2015, twelve month trailing dividends totaled $37.0 million compared to $55.5 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 months 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. See "Non-GAAP Measures" for further details.

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 December 31, 2015, Black Diamond was in compliance with all debt covenants.

Share Capital

At December 31, 2015, Black Diamond had 41.0 million (2014 - 41.0 million) common shares outstanding. In addition at December 31, 2015, Black Diamond had 3.0 million (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 March 2, 2016:

Common shares	41,024
Stock options	2,988

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.

Commitments

The table below outlines the timing of payments for Black Diamond's contractual obligations.

Black Diamond rents workforce accommodation and space rental premises, surface rental equipment, office equipment and vehicles under multiple operating leases with varying expiration dates. No arrangements have been entered into for contingent rental payments. The minimum lease payments over the next five fiscal years and thereafter are, as follows:

	December 31, 2015	**December 31, 2014**
	$	**$**
Due within one year	**5,078**	3,562
Due later than one year and less than five	**14,913**	3,802
Due after five years	**20,896**	—
	40,887	7,364

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 December 31, 2015 relate to standard working capital accounts, credit facility items, and a note receivable from Northern Frontier.

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 credit facilities 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, share of loss of an associate, write-down of property and equipment, and impairment of goodwill.

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 certain non-cash items as well as how the operations have been financed. 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:

($ millions, except as noted)	Three months ended December 31 2015	2014	Change %	Twelve months ended December 31 2015	2014	Change %
Profit	**(7.8)**	(3.6)	117 %	**8.4**	35.0	(76)%
Add:						
Share-based compensation	**1.7**	1.5	13 %	**4.6**	5.2	(12)%
Depreciation and amortization	**14.7**	14.6	1 %	**56.8**	54.8	4 %
Finance costs	**2.0**	2.0	— %	**8.4**	7.6	11 %
Current income taxes	**(1.1)**	0.5	(320)%	**3.3**	11.8	(72)%
Deferred income taxes	**0.9**	3.2	(72)%	**8.2**	6.4	28 %
Gain on sale of construction operations	**—**	—	— %	**(8.8)**	—	— %
Guarantee of debt of an investee	**—**	—	— %	**—**	5.2	(100)%
Non-controlling interest	**0.2**	1.8	(89)%	**2.7**	5.4	(50)%
Share of loss of an associate	**2.7**	—	— %	**2.7**	—	— %
Write-down of property and equipment	**1.2**	—	— %	**1.2**	—	100 %
Impairment loss	**1.4**	8.2	(83)%	**1.4**	8.2	(83)%
Adjusted EBITDA	**15.9**	28.1	(43)%	**89.0**	139.6	(36)%

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 December 31, 2015	2014	Change %	Twelve months ended December 31, 2015	2014	Change %
Cash Flow from Operating Activities	**47.2**	52.0	(9)%	**137.3**	170.9	(20)%
Add/(Deduct):						
Book value of used fleet sales	**(0.9)**	(2.8)	(68)%	**(5.2)**	(21.7)	(76)%
Change in long-term accounts receivable	**(0.9)**	(1.3)	(31)%	**(1.6)**	(1.3)	23 %
Change in non-current deferred revenue	**0.1**	—	— %	**(2.0)**	—	— %
Changes in non-cash operating working capital	**(28.4)**	(23.8)	19 %	**(42.7)**	(20.0)	114 %
Funds available for dividends	**17.0**	24.1	(29)%	**85.7**	127.8	(33)%

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.

Operating Working Capital for purposes of determining Funds available for dividends is calculated as current assets minus current liabilities (excluding debt and amounts for capital expenditures).

Net Debt is calculated as long-term debt minus deferred financing costs minus cash.

Days Sales Outstanding ("DSO") is calculated as total trade and accrued accounts receivable divided by Quarterly revenue multiplied by the number of days in the Quarter.

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.

RELATED PARTY TRANSACTIONS

	December 31, 2015 $	December 31, 2014 $
Due from related parties	123	—
Due to related parties	1,534	667

The amount due to related parties relates to the distributions and royalties payable to the non-controlling interests and construction services operation expenses due to Northern Frontier.

On July 31, 2015, Black Diamond sold its construction services operation to Northern Frontier (TSX-V: FFF). 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.

Key Management Personnel Compensation

Key management personnel compensation	2015 $	2014 $
Salaries, bonuses, fees and other short-term employee benefits	3,056	5,284
Share-based compensation	2,969	3,558
Total Compensation	**6,025**	**8,842**

The Company has defined key management personnel as senior executive officers and all members of the board of directors, as they have the collective authority and responsibility for planning, directing and controlling the activities of the Company. The amounts disclosed in the table above are the amounts recognized as an expense during the reporting period related to key management personnel.

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 at www.sedar.com. Additional risks and uncertainties that management may be unaware of may become important factors which affect Black Diamond.

DISCLOSURE CONTROLS AND PROCEDURES & INTERNAL CONTROLS OVER FINANCIAL REPORTING

Black Diamond's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have, as at December 31, 2015, designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P") to provide reasonable assurance that: (i) material information relating to Black Diamond is made known to Black Diamond's CEO and CFO 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.

Black Diamond's CEO and CFO have designed or caused to be designed under their supervision, internal controls over financial reporting ("ICFR") for the Company 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 GAAP. Black Diamond's management, under the supervision of the CEO and CFO, used the criteria and framework established in the 2013 Internal Controls - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to design Black Diamond's ICFR.

Black Diamond is required to disclose herein any change in Black Diamond's ICFR that occurred during the period beginning on October 1, 2015 and ended on December 31, 2015 that has materially affected, or is reasonably likely to materially affect, Black Diamond's ICFR. No material changes in Black Diamond's ICFR were identified during such period that have materially affected, or are reasonably likely to materially affect Black Diamond's ICFR.

Such officers have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's DC&P and ICFR at December 31, 2015 and have concluded that the Company's DC&P and ICFR are effective at December 31, 2015.

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 at www.sedar.com.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS & ESTIMATES

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.

Judgments

In the process of applying the Company's accounting policies, 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.

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.

Impairment of non-financial assets

Goodwill is reviewed annually for impairment. Property and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment review requires estimates in a variety of areas including the determination of fair value, selling costs, timing and size of cash flows, long-term growth rates, discount rates, and other valuation variables; the application of these variables in valuation models requires judgment.

Determination of a Cash Generating Unit ("CGU")

Management's judgment is required in determining the Company's CGUs 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.

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.

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.

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.

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 FVLCTS calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the Company's forecast for the next year and does not include restructuring activities 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 asset retirement 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 leases 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, collectability of accounts receivable, recognition of provisions and contingent obligations, the estimated useful lives of property and equipment, and useful lives of intangible assets. Accordingly, actual results may differ from estimated amounts. Management has also used judgment in the estimates used in pricing its options and long-term share based compensation plans, 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.

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 interim 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 15 Revenue

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.

IFRS 16 Leases

IFRS 16 specifies how to recognize, measure, present and disclose leases. Lessees will be required to recognize right-of-use ("ROU") assets and lease liabilities while lessors will continue to classify each lease as either an operating lease or a finance lease. Lease and non-lease components must be separated and accounted for separately using the appropriate standards unless a policy election is made to account for the lease and non-lease components as lease components. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted if IFRS 15 has already been applied or will be applied at the same date as IFRS 16. The Company has not yet determined the impact of the standards 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.