MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ended December 31, 2014 and 2013

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, 2014 (the "Quarter") with the three months ended December 31, 2013 (the "Comparative Quarter") as well as Black Diamond's financial performance for the twelve months ended December 31, 2014 ("2014") with the twelve months ended December 31, 2013 ("2013"). 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, 2014 and 2013. 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 4, 2015 and, unless otherwise indicated, all amounts are stated in Canadian dollars. Black Diamond's common shares are listed on the Toronto Stock Exchange under the symbol "BDI".

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

Certain information set forth in this MD&A contains forward-looking statements including management's assessment of Black Diamond's future operations, performance, business prospects and opportunities, and statements relating to future operational and financial results and dividend levels and management's future expectations regarding the financial performance of the Company and its business units, forecast 2015 capital expenditures of the Company and how such expenditures will be funded as set out under the heading "Economic Developments and Outlook". With respect to the forward-looking statements in the MD&A, Black Diamond has made assumptions regarding, among other things: that Black Diamond will continue to conduct its operations in a manner consistent with past operations, that counter-parties to contracts will perform the contracts as written and that there will be no unforeseen material delays in contracted projects. Although Black Diamond believes that the expectations reflected in the forward-looking statements contained in this MD&A, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurances that such expectations or assumptions will prove to be correct. Readers are cautioned that assumptions used in the preparation of such statements may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of Black Diamond. These risks include, but are not limited to: the impact of general economic conditions, industry conditions, fluctuation of commodity prices, the Company's ability to attract new customers, failure of counterparties to perform on contracts, industry competition, availability of qualified personnel and management, timely and cost effective access to sufficient capital from internal and external sources, political conditions, dependence on suppliers and stock market volatility. The risks outlined above should not be construed as exhaustive. Additional information on these and other factors that could affect Black Diamond's operations and financial results are included in Black Diamond's annual information form and other reports on file with the Canadian Securities Regulatory Authorities which can be accessed through the SEDAR website at www.sedar.com. Readers are cautioned not to place undue reliance on these forward-looking statements. Furthermore, the forward-looking statements contained in this MD&A are made as at the date of this MD&A and Black Diamond does not undertake any obligation to update or revise any of the forward-looking statements, except as may be required by applicable securities laws.

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EXECUTIVE SUMMARY

The significant decline in global oil prices during the second half of 2014 meant that we exited the year with 70% utilization in our workforce accommodations business compared with 85% a year ago. That said, we are well positioned to weather the current storm with our conservative balance sheet and payout ratio. The current environment validates our ongoing diversification efforts to reduce our earnings exposure to any one geographic or economic sector. Through this period we will take prudent measures to continue to protect our balance sheet, be stringent with our capital expenditures and be diligent controlling our discretionary costs and all other spending.

We continue to work closely with our customers through this period. The vast majority of our customers are credit worthy, and understand the benefits of contracting with us for the long term.

HIGHLIGHTS FOR THE QUARTER

- Results for the Quarter were in-line with the operational update provided on December 18, 2014.

- Revenue for the Quarter was $88.8 million, down 17% or $18.1 million from a year ago primarily due to the impact of low commodity prices on business activity in the Structures, Energy Services and International business units. This was partially offset by an increase in revenue in the Logistics division during the Quarter.

- Structures EBITDA (see "Non-GAAP Measures") was impacted by a $3.0 million provision in the Quarter for as yet unrecovered costs on the custom sale of camp equipment and associated field-level operations announced on October 30, 2013.

- EBITDA for the Quarter was $28.1 million, down 27% or $10.3 million from a year ago due to a decrease in revenue and the $3.0 million provision in the Structures business unit (explained above).

- A net loss of $3.6 million was recorded for the Quarter compared with a net profit of $13.7 million a year ago primarily due to a one-time $8.2 million write down of goodwill and intangible assets related to the International business unit in the Quarter, and a 17% year-over-year decrease in revenues.

- The Company continues to maintain a strong balance sheet. At December 31, 2014, the Net Debt to EBITDA ratio was 1.26 (December 31, 2013 - 1.09).

- There were 1.9 million shares repurchased at an average price of $20.42 per share pursuant to the Normal Course Issuer Bid ("NCIB") initiated by the Company on October 6, 2014. This reduced our issued and outstanding shares from 43.0 million at October 6, 2014 to 41.0 million at December 31, 2014. No further repurchases are contemplated under the NCIB during the first quarter of 2015.

- The consolidated committed rental and lodging revenue yet to be earned from contracts in place at the end of the Quarter was $130.3 million (Comparative Quarter - $203.2 million).

Long-term Asset Review

A comprehensive review of Black Diamond's operations to assess any asset impairments due to the current environment of lower commodity prices resulted in:

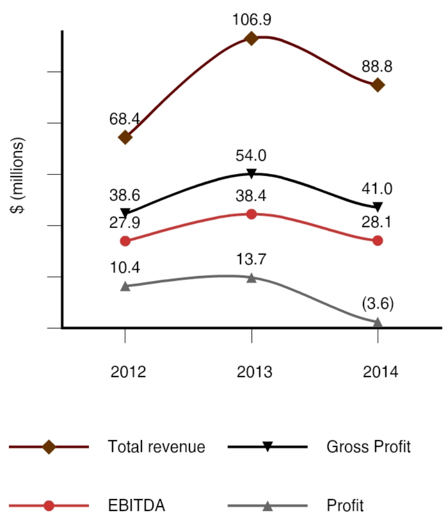
- **Australia - $8.2 million impairment:** An extended downturn in commodity pricing for metallurgical coal, iron ore and other mined commodities has caused ongoing weakness in the Australian mining sector. This has negatively impacted utilization of workforce accommodation units in the International business unit. While the potential for future growth in Australia continues to exist in both the mining and natural gas drilling sectors, management assessed the assets based on their estimated fair value less cost to sell or the value in use and recorded an impairment loss of $8.2 million in goodwill and intangible assets. This resulted in a one-time loss of $0.19 per basic and diluted share outstanding for 2014.
- **North America - No impairment:** Despite the current headwinds posed by low oil and gas prices at present, Black Diamond's underlying operations and future prospects continue to demonstrate resilience in its core operating areas.

Capital Spending

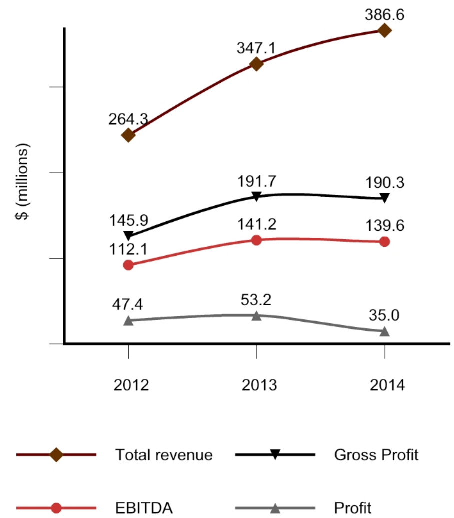
Capital expenditures for the Quarter and 2014 were $46.3 million and $119.8 million, respectively. Black Diamond's 2015 capital program has been reduced by the Board of Directors from $85 million to $50 million, of which $29.4 million has already been committed as at December 31, 2014. Of this amount, $19.6 million relates to contracts that include the previously announced 1,244 person camp in northeastern British Columbia, with the remainder being spent in a generally non-speculative manner. Currently, Black Diamond has $7.4 million in remaining capital commitments.

Financial Highlights

Three Months Ended December 31,



Twelve Months Ended December 31,

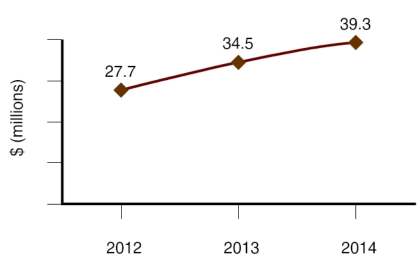


Net profit for 2014 was $35.0 million, down 34% or $18.2 million from a year ago due primarily to the reasons described above and a $5.2 million provision for a guarantee of debt in connection with the Company's 20% interest in Britco APB's modular building manufacturing business in Australia recorded in the second quarter of 2014.

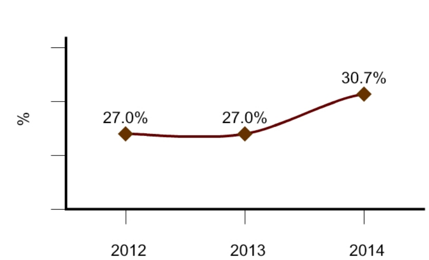
Dividends and Payout Ratio

The payout ratio (see "Non-GAAP Measures") for the Quarter increased to 42% compared with 26% during the same period last year as the result of two dividend increases within a twelve month period (November 6, 2013 and August 12, 2014) and lower distributable cash flow. The Payout ratio for 2014 was 31% compared with 27% in 2013.

Dividends Declared



Payout Ratio



WHO WE ARE

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

The business of Black Diamond, through its subsidiaries and aboriginal partnerships, operates four complementary business units which include Black Diamond Structures, Black Diamond Logistics, Black Diamond Energy Services and Black Diamond International.

Black Diamond was founded in 2003, went public on the Toronto Stock Exchange in 2006 as Black Diamond Income Fund (an income trust), converted to a corporation at the end of 2009, and is currently listed on the Toronto Stock Exchange under the ticker "BDI". Black Diamond Group Limited was incorporated on October 7, 2009 under the laws of the Province of Alberta pursuant to Alberta's *Business Corporations Act*. Our head office is located at Suite 2000, 715 – 5th Avenue S.W., Calgary, Alberta, Canada.

BLACK DIAMOND'S STRATEGY

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

With an average of more than twenty years of industry experience, our senior management team has built a business platform around a concerted approach to capital allocation, risk management, business diversification and asset management.

Capital Allocation

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

Achieving this is only possible through focus, efficiency and effective third party contracting. This means that we outsource functions that are not core to Black Diamond's expertise or where the capital risk is deemed high. We therefore outsource areas such as manufacturing, construction, catering, camp services, and any other areas 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 over the long-term. 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.

Business Diversification

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

Asset Management

To ensure we are managing our assets (and capital) efficiently, the return targets we set for our business units are based on the original cost of their asset base. This creates discipline around the aging of our rental fleet, encouraging managers to regularly sell older, less economic rental assets on the secondary market, and replenish those with new rental assets. Generally, we sell our used assets for more than their book value and this is recorded as "non-rental" revenue, with the book value of the asset recorded as a non-cash item in our Consolidated Statement of Cash Flows.

ECONOMIC DEVELOPMENTS AND OUTLOOK

We expect first quarter 2015 EBITDA to be generally in line with fourth quarter 2014 EBITDA. We are confident that with the core run rate of Black Diamond's business, current contract coverage, and a diverse range of marketable assets, that we will be able to meet all of our financial obligations while continuing to pay a dividend that we have increased twice since the fourth quarter of 2013.

While we remain optimistic that liquefied natural gas represents solid upside opportunity for Black Diamond in 2015 and 2016, it is prudent to highlight the current uncertainty in the western Canadian oil and gas sector relative to future realized commodity pricing and the future of capital programs that are predicated on these economics.

Utilization Impacted by Oil and Gas Bear Market

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

The current condition of the oil and gas sector is also reflected in the forward contracted revenues of our Structures and Logistics business units, which have declined year-over-year by 29% and 47% respectively as at December 31, 2014. However, this is not necessarily indicative of forward utilization. We have a number of customers that, given the current environment, have held off on renewing their workforce accommodation contracts in favor of short-term extensions that provide them with greater flexibility in their capital programs as they work through this period of uncertainty. Should these customers move back into a long-term contract, forward contracted revenue would increase. We continue to work with our customers on finding balanced solutions that address their current circumstances while also ensuring we can meet our return on capital obligations.

Rental rates for assets on a trailing basis have remained consistent. For any new capital being deployed, the historic rate of return and pay back periods that are appropriate to the risk/return of this industry continue to be observed in the marketplace. We will continue to maintain a disciplined approach to deploying capital in a manner that is consistent with Black Diamond's historic risk/return model. That said, existing assets need to compete in the environment they are in, and we do anticipate some softening of rental rates on pre-existing assets in areas experiencing a commodity down-turn.

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

Liquefied Natural Gas Projects a Potential Catalyst

Several oil and gas industry participants have announced their intention to export liquefied natural gas (“LNG”) from the west coast of Canada. There are at least two projects that are currently moving towards a final investment decision ("FID") that, if approved to proceed, would each create demand for approximately ten to twelve thousand beds at the peak of construction.

The Company’s 2015 budget does not currently include any capital spending related to these LNG projects. Management is optimistic that a FID will be reached for at least one LNG project in 2015. If a positive FID is received, management anticipates that Black Diamond's capital spend and growth will likely be accelerated.

Black Diamond's strategic planning conservative balance sheet and financial capacity position us to effectively execute on these projects.

United States Economy on the Upswing

The U.S. economy continues to grow with low oil prices and expected to add further stimulation. We are observing increased levels of construction activity in the United States, particularly along the Gulf Coast.The Structure business unit's space rentals business in the U.S. is expected to benefit from this dynamic.

Eastern Canada Positioned to Benefit from Weak Oil Prices and Dollar

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

Australia Still Challenged by Soft Mining Sector

Ongoing weakness in the Australian mining sector is continuing to impact demand for workforce accommodation units in the region. This may be offset to some extent by demand from the gas sector due to upstream development activities supporting Australia's LNG industry.

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, 2014 and 2013.

	Three months ended December 31			Year ended December 31		
(in thousands, except as noted)	**2014**	**2013**	2012	**2014**	**2013**	2012
Financial Highlights	**$**	**$**	**$**	**$**	**$**	**$**
Total revenue	88,814	106,860	68,442	386,567	347,055	264,274
Gross Profit	41,030	54,035	38,586	190,338	191,687	145,888
Administrative Expenses	14,396	15,762	12,284	55,968	53,841	37,861
EBITDA (1)	28,094	38,396	27,941	139,619	141,181	112,091
Profit before taxes	1,863	19,755	14,435	58,581	76,805	66,736
Profit (loss)	(3,616)	13,654	10,393	35,038	53,216	47,394
Earnings Per share - Basic	(0.09)	0.33	0.25	0.82	1.27	1.21
- Diluted	(0.08)	0.32	0.24	0.81	1.26	1.18
Capital expenditures	46,283	36,402	46,616	119,778	95,560	163,628
Property & equipment (NBV)	540,622	485,684	423,281	540,622	485,684	423,281
Total assets	702,534	674,863	557,196	702,534	674,863	557,196
Long-term debt	196,397	184,266	96,359	196,397	184,266	96,359
Dividends declared	10,025	9,051	7,410	39,251	34,536	27,684
Per share ($)	0.24	0.22	0.18	0.93	0.83	0.70
Payout ratio (1)	42%	26%	29%	31%	27%	27%

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

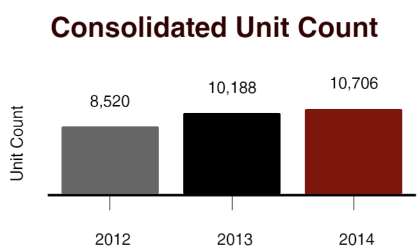
Margin Analysis

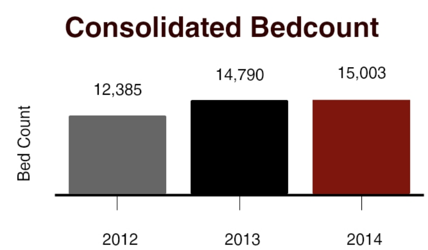
	Three months ended December 31			Year ended December 31		
(Percent of revenue)	**2014**	**2013**	2012	**2014**	**2013**	2012
Gross Profit	46%	51%	56%	49%	55%	55%
Administrative Expense	16%	15%	18%	14%	16%	14%
EBITDA	32%	36%	41%	36%	41%	42%

CONSOLIDATED FINANCIAL AND OPERATIONAL REVIEW

Consolidated Fleet

The consolidated number of rental units in Black Diamond's global fleet increased to 10,706 units in the Quarter compared with 10,188 a year ago primarily due to an increase in workforce accommodation units. Consolidated unit count includes accommodation units, space rental units and surface rental units.





Fleet Utilization Rates

	Three months ended December 31		Twelve months ended December 31	
	2014	2013	2014	2013
Workforce Accommodation	70%	85%	82%	88%
Space Rentals	74%	81%	78%	83%
International	38%	73%	51%	79%

Revenue

	Three months ended December 31				Twelve months ended December 31			
($ millions, except as noted)	2014		2013		2014		2013	
		(1)		(1)		(1)		(1)
Rental Revenue	35.6	40%	39.0	37%	154.2	40%	152.9	44%
Lodging Revenue	26.8	30%	25.1	23%	119.2	31%	83.5	24%
Non-Rental Revenue	26.4	30%	42.8	40%	113.2	29%	110.7	32%
Revenue	88.8		106.9		386.6		347.1	

(1) Percentage of consolidated revenue

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

Rental revenues are associated with the rental of third party or Black Diamond owned assets to a customer. This is the highest return aspect of the business.

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

Non-rental revenues are derived from the sale of both new and used assets 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 2014 vs. Q4 2013

Rental revenue for the Quarter was $35.6 million, down 9% or $3.4 million from a year ago due to a decline in utilization rates driven in part by a significant decline in Australia, partially offset by a larger fleet and higher realized rental rates of newer workforce accommodation. In the Structures business unit, workforce accommodation's average utilization decreased to 70% in the Quarter from 85% a year ago.

Lodging revenue for the Quarter was $26.8 million , up 7% or $1.7 million from a year ago due to the conversion of a managed camp into an owned open camp effective February 1, 2014. In addition, occupancy in the Logistic's day-rate camps increased 3% in the Quarter compared with a year ago.

Non-rental revenue for the Quarter was $26.4 million, down 38% or $16.4 million from a year ago largely due to decreases in new custom sales, used fleet sales, operational revenue from construction services and sublease activity.

Total consolidated revenue for the Quarter was $88.8 million, down 17% or $18.1 million from a year ago for the reasons described above.

Total Year 2014 vs. 2013

Rental revenue for 2014 was $154.2 million, up 1% or $1.3 million from 2013 due to 5% growth in the consolidated number of rental units during 2014, partially offset by lower utilization.

Lodging revenue for 2014 was $119.2 million, up 43% or $35.7 million from 2013 due to the conversion of an operated camp into an owned open camp effective February 1, 2014 and a 58% increased camp occupancy in 2014 compared with 2013.

Non-rental revenue for 2014 was $113.2 million, up 2% or $2.5 million from 2013 largely due to increased used fleet sales, as well as the completion of several installation projects during the first six months of 2014.

Total consolidated revenue for 2014 was $386.6 million, up 11% or $39.5 million from 2013 due primarily to the 43% increase in lodging revenue from the Logistics business unit.

Forward Contracted Revenue

The consolidated committed rental and lodging revenue from contracts in place at the end of the Quarter was $130.3 million (Comparative Quarter - $203.2 million).

Direct Costs and Gross Profit

	Three months ended December 31				Twelve months ended December 31			
($ millions, except as noted)	2014		2013		2014		2013	
		(1)		(1)		(1)		(1)
Direct Costs	47.8	54%	52.9	49%	196.2	51%	155.4	45%
Gross Profit	41.0	46%	54.0	51%	190.3	49%	191.7	55%

(1) Percentage of Consolidated Revenue.

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 include labour, fuel, materials, freight, maintenance and servicing of rental units. From time to time, Black Diamond will sell used units from its fleet, rent equipment from third parties and re-rent the equipment, provide logistics services, 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 2014 vs. Q4 2013

Direct costs for the Quarter were $47.8 million, down 10% or $5.1 million from a year ago due to lower business activity. Direct costs as a percentage of revenue were 54% for the Quarter, an increase of five percentage points compared with the same period last year due to lower non-rental revenues and profits.

Gross profit for the quarter was $41.0 million, down 24% or $13.0 million from a year ago due primarily to a decrease in contribution from non-rental revenues during the Quarter.

Total Year 2014 vs. 2013

Direct costs for 2014 were $196.2 million, up 26% or $40.8 million from 2013 due to a significant increase in business activity in the Logistics business unit which generally has higher costs as a percentage of revenue than the rental fleet. As a result, direct costs as a percentage of revenue increased six percentage points to 51% for 2014, compared with 45% in 2013.

Gross profit for 2014 was $190.3 million, down 1% or $1.4 million from 2013 due to an increase in direct costs from non-rental services as a percentage of revenue, which offset the increase in revenue in 2014.

Administrative Expenses

	Three months ended December 31				Twelve months ended December 31			
($ millions, except as noted)	2014		2013		2014		2013	
		(1)		(1)		(1)		(1)
Administrative expenses	14.4		15.7		56.0		53.8	
% of Consolidated Revenue	16%		15%		14%		15%	
Personnel	7.1	50%	8.9	57%	29.9	53%	28.0	52%
Occupancy & Insurance	1.5	10%	1.6	10%	6.0	11%	6.1	11%
Other Administrative Expenses	5.8	40%	5.2	33%	20.1	36%	19.7	37%

(1) Percentage of Administrative expenses.

Other administrative expenses includes audit, travel, meals and entertainment, bank charges, promotional items and yard/shop maintenance. Expenses related to share based compensation and Black Diamond's long-term incentive plan ("LTIP") are also included under other administrative expenses.

Q4 2014 vs. Q4 2013

Administrative expenses for the Quarter were $14.4 million, down 8% or $1.3 million due to lower business activity and Black Diamond's management of personnel costs in light of the current business environment. However, on a percentage of revenue basis administrative costs for the Quarter were 16%, up one percentage point from a year ago as revenue declined faster than administrative costs. The various components of Black Diamond's administrative expenses are broken out below:

Personnel costs for the Quarter were $7.1 million, down 20% or $1.8 million as the Company responded to changing business conditions.

Occupancy and insurance costs for the Quarter were $1.5 million, down 6% or $0.1 million due to reduction in fleet insurance costs arising out of economies of scale.

Other administrative expenses for the Quarter were $5.8 million, up 12% or $0.6 million due to higher stock based compensation expense.

Total Year 2014 vs. 2013

Administrative expenses for 2014 were $56.0 million, up 4% or $2.2 million from 2013 due to the increased scale of the business which led to increased personnel expenses. However, on a percentage of revenue basis administrative costs were 14% in 2014, down one percentage point from a year ago due to a higher revenue base in 2014.

Personnel costs for 2014 were $29.9 million, up 7% or $1.9 million from 2013 as the Company continued to accommodate the growing scale of the business with additional hires, new positions and increased salaries and wages. Personnel head count increased by 14 people in 2014, which represents a 3% increase from 2013.

Occupancy and insurance costs for 2014 were $6.0 million, down 2% or $0.1 million from 2013 due to reduction in fleet insurance costs arising out of economies of scale.

Other administrative expenses for 2014 were $20.1 million, up 2% or $0.4 million from 2013 due to higher stock based compensation expense. This expense increased in 2014 as a result of a 32% increase in options granted and increased LTIP share purchases relative to 2013.

EBITDA

($ millions, except as noted)	Three months ended December 31		Twelve months ended December 31	
	2014	**2013**	**2014**	**2013**
EBITDA [(1)]	28.1	38.4	139.6	141.2
% of Consolidated Revenue	32%	36%	36%	41%

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

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 EBITDA margin.

Q4 2014 vs. Q4 2013

EBITDA for the Quarter was $28.1 million, down 27% or $10.3 million from a year ago due to a decrease in revenues and lower than anticipated non-rental margins in the Quarter. EBITDA as a percentage of revenue for the Quarter was four percentage points lower than a year ago due to higher installation costs.

Total Year 2014 vs. 2013

EBITDA for 2014 was $139.6 million, down 1% or $1.6 million from 2013 due to lower than anticipated installation and demobilization services margins realized during the year. EBITDA as a percentage of revenue for 2014 decreased by five percentage points compared with 2013 due to the higher construction costs and as a result of lower gross margins due to business mix as mentioned above.

Depreciation and Amortization

($ millions, except as noted)	Three months ended December 31		Twelve months ended December 31	
	2014	**2013**	**2014**	**2013**
Depreciation	14.2	14.0	53.1	49.9
Amortization	0.4	0.4	1.7	1.5

Q4 2014 vs. Q4 2013

Depreciation for the Quarter was $14.2 million, up 1% or $0.2 million from a year ago due to growth in Black Diamond's rental fleet.

Amortization for the Quarter was $0.4 million compared with $0.4 million a year ago.

Total Year 2014 vs. 2013

Depreciation for 2014 was $53.1 million, up 6% or $3.2 million from a year ago due again to growth in Black Diamond's rental fleet.

Amortization for 2014 was $1.7 million, up 14% or $0.2 million due to the impact of the full year of amortization on the intangibles acquired in the International business unit in 2013.

Finance Costs

Average interest rates in 2014 were 4.63% compared with 4.47% for 2013 and the average long-term debt in 2014 was $8.0 million higher than in 2013.

	Three months ended December 31		Twelve months ended December 31	
($ millions, except as noted)	2014	2013	2014	2013
Finance cost	2.0	2.3	7.6	7.9

Q4 2014 vs. Q4 2013

Finance costs for the Quarter were $2.0 million, down 13% or $0.3 million from a year ago as higher interest expenses were more than offset by the interest earned from additional finance leases during the Quarter when compared to the Comparative Quarter.

Total Year 2014 vs. 2013

Finance costs for 2014 were $7.6 million, down 4% or $0.3 million from a year ago as higher interest expense was more than offset by the interest earned from additional finance leases during 2014 when compared with 2013. Further, cash from operating activities during the year increased by $56.0 million compared with 2013 which lowered our dependency on the revolving debt facility.

Income Tax

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 which is expected to reverse after 2014. It has been calculated at the enacted tax rate of 25.27% in Canada, 40% in the United States and 30% in Australia.

	Three months ended December 31		Twelve months ended December 31	
($ millions, except as noted)	2014	2013	2014	2013
Current tax	0.5	3.6	11.8	11.5
Deferred tax	3.2	3.1	6.4	9.5

Q4 2014 vs. Q4 2013

For the Quarter, Black Diamond incurred a current income tax provision of $0.5 million (2013 - $3.6 million) and a deferred income tax provision of $3.2 million (2013 $3.1 million).

Total Year 2014 vs. 2013

For 2014, Black Diamond incurred a current income tax provision of $11.8 million (2013 - $11.5 million) and a deferred income tax provision of $6.4 million (2013 - $9.5 million). At December 31, 2014, the deferred tax liability was $61.6 million compared to $54.3 million at December 31, 2013. The increase is due to the provision for deferred income taxes incurred during 2014.

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, and the Beaver Lake Cree Nation's approximate 50% interest in the Black Diamond Nehiyawak Limited Partnership.

	Three months ended December 31		Twelve months ended December 31	
($ millions, except as noted)	2014	2013	2014	2013
Non-controlling interest	1.8	(0.5)	5.4	2.6

Q4 2014 vs. Q4 2013

The NCI for the Quarter was $1.8 million, or $2.3 million higher from a year ago due to higher activity in the limited partnerships.

Total Year 2014 vs. 2013

Non-controlling interest for 2014 was $5.4 million, up 108%, or $2.8 million from a year ago due to the reason above.

Net Income

	Three months ended December 31		Twelve months ended December 31	
($ millions, except as noted)	2014	2013	2014	2013
Net income	(3.6)	13.7	35.0	53.2

Q4 2014 vs. Q4 2013

Net loss for the Quarter was $3.6 million, down 126% or $17.3 million from a year ago due to the asset impairment recorded in Australia of $8.2 million, lower than anticipated construction services margins and lower rental asset utilization during the Quarter.

Total Year 2014 vs. 2013

Net income for 2014 was $35.0 million, down 34% or $18.2 million from a year ago due primarily to the reasons 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 measures including profit, operating expenses, return on assets and EBITDA.

The following is a summary of the Company's segmented results for the Quarter and 2014, 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 through an inter-segment reclassification, while the service component remains in the Logistics business unit.

Segmented Revenue

Revenues presented by segment in the tables below include inter-segment revenue, as this is considered indicative of the level of each segment's activity.

	Three months ended December 31		Twelve months ended December 31	
(Expressed in thousands)	2014	2013	2014	2013
	$	$	$	$
Revenue				
Structures	52,806	68,660	220,745	212,408
Energy Services	7,212	8,835	32,444	31,582
Logistics	26,801	25,099	119,191	83,456
International	1,995	4,266	14,187	19,609
Total Revenue	**88,814**	**106,860**	**386,567**	**347,055**

Segmented EBITDA

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

	Three months ended December 31		Twelve months ended December 31	
(Expressed in thousands)	2014	2013	2014	2013
	$	$	$	$
EBITDA				
Structures	22,662	35,586	118,468	121,845
Energy Services	2,111	3,243	10,095	11,876
Logistics	8,969	5,080	28,124	20,080
International	393	1,800	4,550	8,000
Corporate	(6,041)	(7,313)	(21,618)	(20,620)
Total EBITDA	**28,094**	**38,396**	**139,619**	**141,181**

STRUCTURES BUSINESS UNIT REVIEW

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

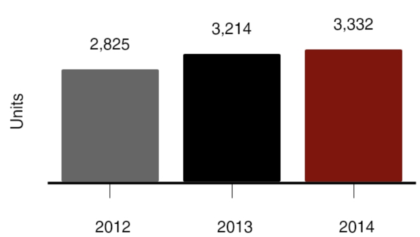
Space Rentals provide high quality, cost effective, portable workspaces to customers throughout North America. These customers operate in the construction, real estate development, manufacturing, education and resource industries, and also include government agencies. Products include office units, lavatories,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

Operational Review

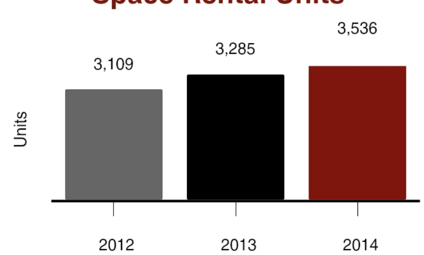
	Three months ended December 31			Twelve months ended December 31		
	2014	**2013**	**2012** (1) (2)	**2014**	**2013**	**2012** (1) (2)
Workforce accommodation units	3,332	3,214	2,825	3,332	3,214	2,825
Average utilization	70%	85%	91%	82%	88%	93%
Workforce accommodation bedcount	12,339	12,272	11,487	12,339	12,272	11,487
Space rental units in fleet	3,536	3,285	3,109	3,536	3,285	3,109
Average utilization	74%	81%	84%	78%	83%	79%

(1) The method used to calculate the average utilization rates for 2014 and 2013 was changed to a weighted utilization instead of simple utilization used in 2012. This change does not materially affect the 2012 utilization rates and therefore they were not restated.
(2) Certain figures from the prior period have been reclassified to conform to the current year's presentation.

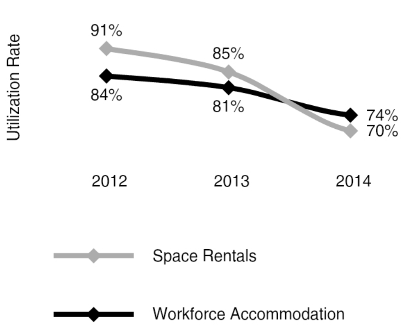
Workforce Accommodation Units



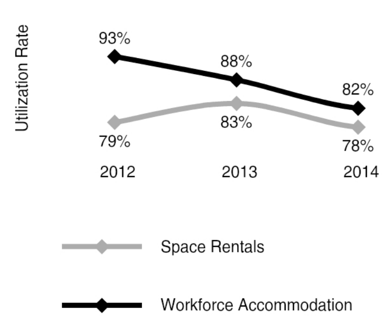
Space Rental Units



Quarter Over Quarter Utilization



Year Over Year Utilization



Financial Review

	Three months ended December 31				Twelve months ended December 31			
($ millions, except as noted)	2014		2013		2014		2013	
		(1)		(1)		(1)		(1)
Revenue	52.8		68.7		220.7		212.4	
% of Consolidated Revenue	59%		64%		57%		61%	
Rental Revenue	29.2	55%	31.2	45%	126.3	57%	120.4	57%
Non-Rental Revenue	23.6	45%	37.5	55%	94.4	43%	92.0	43%
EBITDA	22.6	43%	35.6	52%	118.5	54%	121.1	57%

(1) Percentage of Structures Revenue.

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 2014 vs. Q4 2013

The Structures business unit's total revenue for the Quarter was $52.8 million, down 23% or $15.9 million from a year ago. Year-over-year differences are reviewed in the breakdown of revenue into its various components below:

- Rental revenue for the Quarter was $29.2 million, down 6% or $2.0 million from a year ago due to a decrease in average utilization rates of the space rental and workforce accommodation fleets, partially offset by a larger fleet; and
- Non-rental revenue for the Quarter was $23.6 million, down 37% or $13.9 million from a year ago due to a decline in new project deployments, lower new and used fleet sales, and a $3.0 million provision in the Quarter for as yet unrecovered costs on the custom sale of camp equipment and associated field-level operations that was announced on October 30, 2013.

EBITDA for the Quarter was $22.6 million, down 37% or $13.0 million primarily due to a significant reduction in non-rental revenue during the Quarter which also drove EBITDA as a percentage of revenue down to 43% from 52% a year ago.

Total Year 2014 vs. 2013

Structures' total revenue for 2014 was $220.7 million, up 4% or $8.3 million from 2013. Year-over-year differences are reviewed in the breakdown of revenue into its various components below:

- Rental revenue for 2014 was $126.3 million, up 5% or $5.9 million from 2013 due to strong rental utilization during the first six months of 2014, a 4% or 118 unit increase in the workforce accommodation fleet and an 8% or 251 unit increase in the space rental fleet compared with 2013; and
- Non-rental revenue for 2014 was $94.4 million, up 3% or $2.4 million from 2013 due to due to higher operations and custom fleet sales offset by the $3.0 million provision in the Quarter for as yet unrecovered costs explained above.

EBITDA for 2014 was $118.5 million, down 2% or $2.6 million from 2013 primarily due to lower margins realized from operations and lower utilization which offset higher revenues.

Forward Contracted Revenue

At December 31, 2014, the weighted average remaining contract rental term outstanding was approximately 10 months (2013 - 10 months). Contracted rental revenue commitments in place as at December 31, 2014 totaled $90.6 million (2013 - $127.1 million).

LOGISTICS BUSINESS UNIT REVIEW

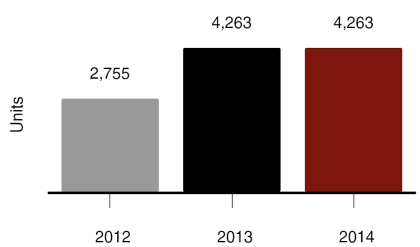
The Logistics business unit provides turnkey workforce lodging services, remote facility management and supply chain solutions. This business unit manages both Black Diamond's and third party owned workforce housing facilities and provides associated services for customers. This business unit also provides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

Operational Highlights

	Three months ended December 31			Twelve month ended December 31		
	2014	2013	2012	2014	2013	2012
Beds under management (1)	4,263	4,263	2,755	4,263	4,263	2,755

(1) As at December 31, 2014, of the total beds under management in the Logistics business unit, 3,879 are owned by Black Diamond and included in the Structures business unit's workforce accommodation bedcount, 928 are leased from third parties and the remaining 144 beds are managed by Black Diamond on behalf of third parties.

Total Beds Under Management



Financial Highlights

	Three months ended December 31		Twelve months ended December 31	
($ millions, except as noted)	2014	2013	2014	2013
Lodging Revenue (1)	26.8	25.1	119.2	83.5
% of Consolidated Revenue	31%	23%	31%	24%
EBITDA	9.0	5.1	28.2	20.1
% of Logistics Revenue	34%	20%	24%	24%

(1) Lodging revenue excludes room revenue

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

Camps come in two varieties: Day-rate camps which have variable margins and Cost-plus camps which have fixed margins. Day-rate camps generally earn higher margins than cost plus camps where the Company manages the camps on behalf of its customers and earns a fixed margin with reduced risk.

Logistics' day-rate camps have minimum man day commitments in place to protect these camps from downside risks and maintain a target return on capital.

Q4 2014 vs. Q4 2013

Lodging revenue for the Quarter was $26.8 million, up 7% or $1.7 million from a year ago. While the total number of managed beds remained unchanged, the mix of beds changed with the proportion of cost-plus (fixed margin) beds growing smaller and the proportion of day-rate (higher margin) beds growing larger compared with a year ago. This led to higher revenues and margins.

Lodging EBITDA for the Quarter was $9.0 million, up 76% or $3.9 million due to higher revenues and margins (described above), and revenue related to minimum man day commitments at certain camps.

Total Year 2014 vs. 2013

Lodging revenue for 2014 was $119.2 million, up 43% or $35.7 million from 2013 as a result of a 58% year-over-year increase in the number of occupied rooms. In contrast to the Quarter, for total year 2014 the proportion of cost-plus (fixed margin) beds was larger and the proportion of day-rate (higher margin) beds was smaller compared with 2013 creating a slight headwind for revenues and margins.

EBITDA for 2014 was $28.2 million, up 40% or $8.1 million from 2013 due to increased revenues and stable EBITDA margins at 24%. EBITDA as a percentage of revenue remained consistent relative to 2013 due to minimum man day commitments that offset the slightly higher proportion of cost-plus camps which yielded a moderately lower margin.

Forward Contracted Revenue

Contracted minimum man day and lodging service revenue commitments in place as at December 31, 2014 totaled $35.7 million (2013 - $68.6 million) for the camps operated by the Logistics business unit. This excludes the rental of equipment, which is reported in the Structures business unit.

ENERGY SERVICES BUSINESS UNIT REVIEW

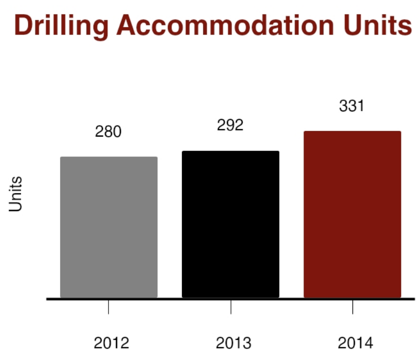
The Energy Services business unit's primary business is separated into two oilfield rental streams:

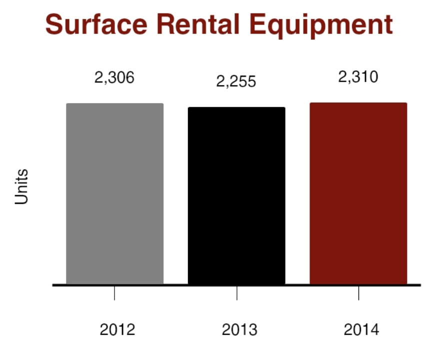
1. Surface rentals, which consist of various types of equipment that support drilling, completion and production activities; and
2. Accommodations, which consist of single unit (well sites) and multi-unit complexes (drill camps) which are highly mobile and durable.

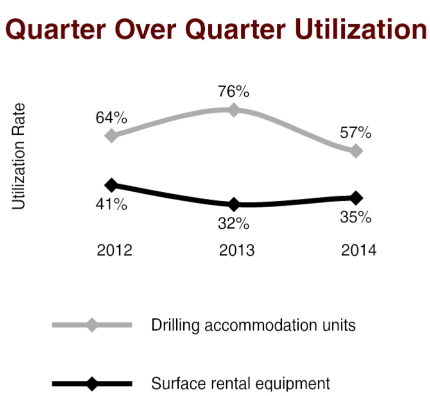
The business unit also provides complete installation and maintenance services (operations) for its rental assets.

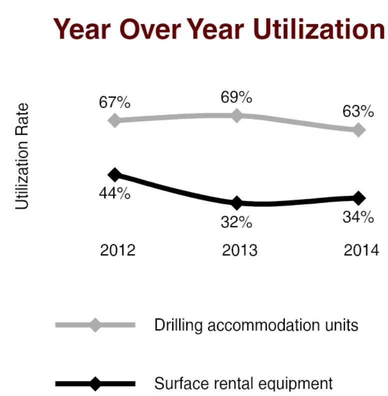
	Three months ended December 31			Twelve month ended December 31		
	2014	**2013**	**2012** (1) (2)	**2014**	**2013**	**2012** (1) (2)
Drilling accommodation units	331	292	280	331	292	280
Average utilization	57%	76%	64%	63%	69%	67%
Drilling accommodation bedcount	968	898	898	968	898	898
Surface rental units	2,310	2,255	2,306	2,310	2,255	2,306
Average utilization	35%	32%	41%	34%	32%	44%

(1) The method used to calculate the average utilization rates for 2014 and 2013 was changed to a weighted utilization instead of simple utilization used in 2012. This change does not materially affect the 2012 utilization rates and therefore they were not restated.
(2) Certain figures from the prior period have been reclassified to conform to the current year's presentation.









Financial highlights

($ millions, except as noted)	Three months ended December 31 2014		2013		Twelve months ended December 31 2014		2013	
		(1)		(1)		(1)		(1)
Revenue	7.2		8.8		32.5		31.6	
% of Consolidated Revenue	8%		8%		8%		9%	
Rental Revenue	4.8	67%	5.0	57%	19.2	59%	20.0	63%
Non-Rental Revenue	2.4	33%	3.8	43%	13.3	41%	11.6	37%
EBITDA	2.1	29%	3.3	38%	10.1	31%	11.9	38%

(1) Percentage of Energy Services Revenue.

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

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

Q4 2014 vs. Q4 2013

Revenue decreased in the Quarter by 18% over the Comparative Quarter due to decreases in rental and non-rental revenue. Rental revenue decreased by 4% due to a decrease in drilling and completions activity in western Canada in the Quarter over the Comparative Quarter. Non-rental revenue decreased by 37% in the Quarter over the Comparative Quarter mainly on account of lower catering activity. Further, an overall decrease in transportation, charge back services, sublease was slightly offset by an increase in used fleet sales revenue.

The drilling accommodations fleet increased by 13% in the Quarter over the Comparative Quarter. The increase includes drill camps as well as a complement of wellsite units and support units. The surface rental fleet increased to 2,310 units in the Quarter from 2,255 units in the Comparative Quarter mainly on account of additional rig mats.

EBITDA and EBITDA as a percentage of revenue decreased in the Quarter compared to the Comparative Quarter mainly due to a decrease in overall revenue as well as an increase in fleet relocation cost incurred in the Quarter based on a strategic review of fleet utilization.

Total Year 2014 vs. 2013

Rental revenue decreased by 4% due to a decrease in drilling and completions activity in western Canada in 2014 over 2013. Non-rental revenue increased in 2014 over 2013 mainly on account of higher used fleet sales, and an overall increase in revenue from transportation, installation and charge back services, offset by a decrease in catering revenue and lower sublease activity.

EBITDA and EBITDA as a percentage of revenue decreased in 2014 compared to 2013 due to the revenue mix, with non-rental revenue accounting for 41% of total revenue in 2014 compared to 37% in 2013 as well as an increase in fleet relocation cost incurred in 2014 based on a strategic review of fleet utilization. Non-rental revenue typically generates lower margins as the revenue stream is more service related than the rental revenue stream.

Forward Contracted Revenue

At December 31, 2014, the weighted average remaining contract rental term outstanding was approximately one month (2013 - two months). Committed rental revenue from contracts in place for 2014 was $2.2 million (2013 - $3.1 million).

INTERNATIONAL BUSINESS UNIT REVIEW

The International business unit rents and sells remote workforce housing and modular workspace solutions outside of North America. The primary operating geography for this business unit is Australia. The business unit's 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. Black Diamond International business unit's diverse customer base includes natural resource companies, building and construction companies, commercial and general industrial companies, and government.

Operational Highlights

	Three months ended December 31			Twelve month ended December 31		
	2014	2013	2012	2014	2013	2012
Workforce accommodation and space rental units	1,197	1,142	n/a	1,197	1,142	n/a
Workforce accommodation bedcount	1,696	1,620	n/a	1,696	1,620	n/a
Average utilization	38%	73%	n/a	51%	79%	n/a

Financial Highlights

	Three months ended December 31				Twelve months ended December 31			
($ millions, except as noted)	2014		2013		2014		2013	
		(1)		(1)		(1)		(1)
Revenue	2.0		4.3		14.2		19.6	
% of Consolidated Revenue	2%		4%		4%		6%	
Rental Revenue	1.6	80%	2.8	65%	8.7	61%	12.5	64%
Non-Rental Revenue	0.4	20%	1.5	35%	5.5	39%	7.1	36%
EBITDA	0.4	20%	1.8	42%	4.5	32%	8.0	41%

1) Percentage of International business unit revenue.

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

The mining industry in Australia has historically been a major source of demand for the Company’s assets primarily in the states of Western Australia and Queensland. An extended softening in commodity pricing for metallurgical coal, iron ore, and other mined commodities has caused ongoing weakness in the Australian mining sector. Reduced activity in this sector has led to reduced asset utilization of workforce accommodation units in the International business unit. This trend is anticipated to continue into 2015. While the potential for future growth in Australia continues to exist in both the mining and natural gas drilling sectors, management assessed the assets based on their estimated fair value less cost to sell or the value in use and decided to write down $8.2 million in goodwill and intangible assets related to the International business unit. This resulted in a one-time loss of $0.19 per basic and diluted share outstanding for the Quarter.

Q4 2014 vs. Q4 2013
Revenue in the Quarter was lower than the Comparative Quarter reflecting lower average fleet utilization and rental rates.

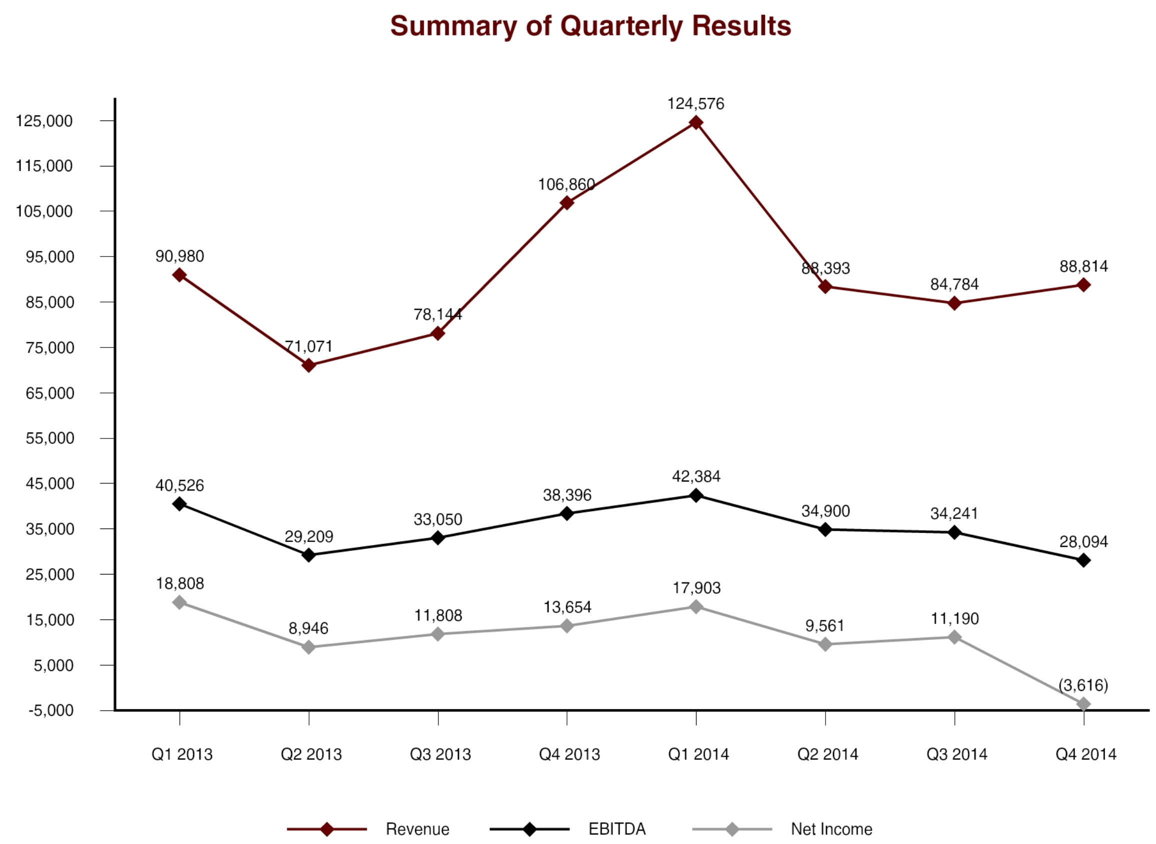
EBITDA decreased in the Quarter compared to the Comparative Quarter mainly due to lower fleet utilization and lower revenue from operations in the Quarter.

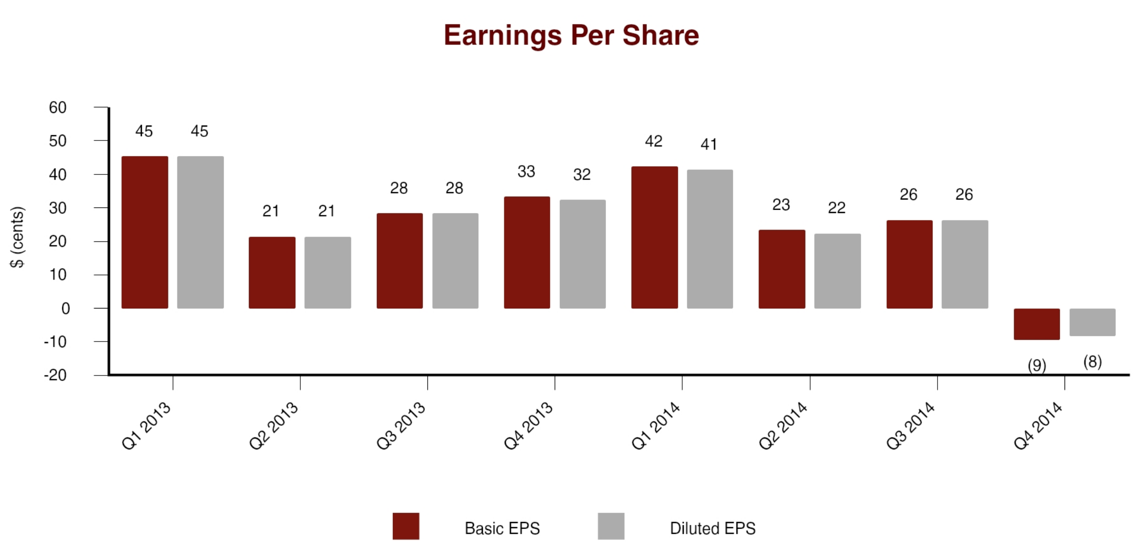
Total Year 2014 vs. 2013
Revenue was lower than the previous year due to lower average fleet utilization and rental rates.

Forward Contracted Revenue
As at December 31, 2014, the weighted average remaining contract rental term outstanding was approximately three months (2013 - four months) and the committed rental revenue from contracts in place was $1.8 million (2013 - $4.4 million)

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the previous eight quarters:





LIQUIDITY & CAPITAL RESOURCES

Cash Requirements

Contractual Obligations and Other Commitments

At December 31, 2014, Black Diamond had made capital expenditure commitments with key manufacturers of modular structures in the amount of $29.4 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 $46.3 million (Comparative Quarter – $36.4 million) on additions to property and equipment. The additions consisted of:

($ millions, except as noted)	2014	2013	$ Change	% Change
Structures	33.5	31.4	2.1	7%
Energy Services	5.6	0.9	4.7	522%
Logistics	0.6	3.2	(2.6)	(81)%
International	4.6	1.9	2.7	142%
Corporate	2.0	(1.0)	3.0	(300)%
	46.3	36.4	9.9	27%

For 2014, Black Diamond expended $119.8 million (2013 – $95.6 million) on additions to property and equipment. The additions consisted of:

($ millions, except as noted)	2014	2013	$ Change	% Change
Structures	91.8	69.1	22.7	33%
Energy Services	9.4	3.3	6.1	185%
Logistics	3.3	8.2	(4.9)	(60)%
International	10.1	12.9	(2.8)	(22)%
Corporate	5.2	2.1	3.1	148%
	119.8	95.6	24.2	25%

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)	2014	2013	$ Change	% Change
Cash from operating activities	170.9	114.9	56.0	49%
Cash used in investing activities	(116.6)	(140.2)	23.6	17%
Cash (used in) from financing activities	(66.1)	54.3	(120.4)	(222)%
Total cash increase / (decrease)	(11.8)	29.0	(40.8)	(141)%

Liquidity needs can be met through a variety of sources, including: available cash, cash generated from operations, drawdowns under the Company's 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 $56.0 million higher in 2014 than in 2013 primarily due to a reduction in working capital.

Cash used in investing activities was $23.6 million lower in 2014 than in 2013 primarily due to less capital additions.

Cash provided from financing activities was $120.4 million lower in 2014 than in 2013, primarily due to $76.0 million less net draws from long-term debt and $38 million used in the Company's share repurchase program in 2014 and nil in 2013.

Working Capital

The following table presents summarized working capital information:

($ millions, except as noted)	December 31, 2014	December 31, 2013	$ Change	% Change
Current assets	116.3	134.0	(17.7)	(13)%
Current liabilities	65.3	43.8	21.5	49%
Working capital	51.0	90.2	(39.2)	(43)%

The decrease in current assets of $17.7 million from December 31, 2013 was largely due to a decrease in accounts receivable of $8.8 million, and a decrease of $11.3 million in cash and cash equivalents. The decreased accounts receivable balance is due to a decrease in receivables relating to contract arrangements with longer financing terms.

The increase in current liabilities of $21.5 million from December 31, 2013 was largely due to an increase of $14.8 million of accounts payable due to timing of payments, as well as an increase of $8.6 million of deferred revenue related to services to be rendered within the next 12 months.

Principal Debt Instruments:

As of December 31, 2014, Black Diamond's principal sources of debt included:

- a committed extendible revolving operating facility in the amount of $150.0 million, all of which is available and $95.0 million is drawn at December 31, 2014;
- a demand operating facility in the amount of $5.0 million, all of which is available and $nil is drawn at December 31, 2014;

- a committed operating facility in the U.S in the amount of US$3.0 million, all of which is available and $nil is drawn at December 31, 2014;
- 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, 2014;
- $62.0 million principal amount of senior secured notes due on July 8, 2019, which rank pari passu with the senior credit facilities of the Company;
- $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; and
- a corporate guarantee for AUD $5,168 as part of the purchase consideration for the Company's indirect 20% interest in APB Britco's manufacturing business.

Effective June 20, 2014, Black Diamond restructured and consolidated its senior secured credit facility into one extendible revolving operating facility of $150.0 million (December 31, 2013 - $130.0 million revolving capital expenditure facility and $15.0 million revolving operating facility) that matures April 30, 2018 and is available by way of prime rate advances, U.S. base rate advances, LIBOR advances, bankers acceptances and letters of credit using interest rates that fluctuate based on the ratio of net total funded debt to EBITDA. The facility is interest only payable monthly in arrears until the April 30, 2018 maturity date and incurs standby fees for any unused portion of the facility at rates that fluctuate based on the ratio of net total funded debt to EBITDA. The facility is collateralized by a general security agreement from Black Diamond, a guarantee and general security agreement from each of its material subsidiaries and a pledge of the equity interests owned by Black Diamond in such material subsidiaries. The facility has an accordion feature that allows for the expansion of the facility up to an aggregate of $250 million, upon lender commitment. If all or any portion of the $100 million accordion is not provided by the lenders, the extendible revolving operating facility authorizes the Company to obtain the remaining amount from any third party subject to certain conditions in the facility. For the three and twelve months ended December 31, 2014, the average interest rate applied to amounts drawn on the extendible revolving operating facility was 3.55% and 3.75% (2013 - 3.69% and 3.53%), respectively.

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%. At December 31, 2014, the effective interest rate was 4.15% (2013 - 4.50%). The facility is secured by assets of the partnership only, with no recourse to Black Diamond.

Black Diamond, through an indirect wholly owned U.S. subsidiary, has a U.S. $3.0 million committed revolving loan facility to fund working capital requirements in the U.S. The facility bears interest at a rate of U.S. prime plus 1% subject to a 4% minimum rate. At December 31, 2014, the effective interest rate was 4% (2013 - 4%). Interest on drawings is to be paid monthly with any principal outstanding to be repaid upon the maturity date. The facility is secured by a corporate guarantee issued by Black Diamond Limited Partnership.

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%. At December 31, 2014, the effective interest rate was 3.69% (2013 - 3.66%). The facility is secured by a corporate guarantee issued by Black Diamond Limited Partnership.

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 $12,400 with the first annual payment beginning 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 senior secured credit facility, have a principal amount of $40,000, 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 $13,333 with the first payment beginning on 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.

The Company issued a guarantee for AUD $5,168 as part of the purchase consideration for the Company's indirect 20% interest in APB Britco's manufacturing business, which serves to guarantee a portion of its debt and is repayable on demand. The Company took a $5.2 million provision for this guarantee in the second quarter of 2014. With this provision and the write-off of the Company's initial $1.8 million cash investment in the manufacturing business in 2013, the Company has completely written off its investment in APB Britco's manufacturing business.

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

Based on Black Diamond's current business plan and internal forecasts, management believes that cash generated from operations will continue to exceed the funds required to pay dividends.

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

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

Debt Covenants

Black Diamond's financial debt covenants are as follows:

Covenant as at December 31, 2014	Required	Actual
Total Funded Debt to EBITDA	≤ 3.00:1	1.51
EBITDA to Interest Plus Distributions	≥ 2.00:1	2.88

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

Covenant as at December 31, 2014	Required	Actual
Current Ratio	≥ 1.25:1	2.85
Interest Coverage Ratio	≥ 3.00:1	58.17

For the purposes of the covenant calculations, EBITDA is determined on a 12 month trailing basis. EBITDA is a non-GAAP measure that management uses to assist in the evaluation of Black Diamond's liquidity and is used by Black Diamond's lenders to calculate compliance with certain financial covenants.

Lender agreements also contain non-financial covenants that restrict, subject to certain thresholds, some of the Company's activities, including the Company's ability to dispose of assets, incur additional debt, pay dividends, create liens, make investments and engage in specified transactions with affiliates. As at December 31, 2014, Black Diamond was in compliance with all financial debt covenants.

Share Capital

At December 31, 2014, Black Diamond had 41.0 million (2013 - 42.1 million) common shares outstanding. In addition at December 31, 2014, Black Diamond had 3.3 million (2013 - 3.1 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 4, 2015:

Common shares	41,070
Stock options	4,021

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, 2014	December 31, 2013
	$	$
Due within one year	**3,562**	2,108
Due later than one year and less than five	**3,802**	3,638
	7,364	5,746

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, 2014 relate to standard working capital accounts, credit facility items and an interest rate swap.

At December 31, 2014, the fair value of the senior secured notes was $102,157 (December 31, 2013 - $100,283) compared to the carrying value of $102,000 (December 31, 2013 - $102,000). There are no other material differences in the carrying amounts of these financial instruments and their estimated fair values.

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 ("GAAP"). Certain supplementary information and measures not recognized under GAAP 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 GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers for these Non-GAAP measures. These measures include:

EBITDA is not a measure recognized under GAAP and does not have standardized meanings prescribed by GAAP. EBITDA refers to consolidated earnings before finance costs, tax expense, depreciation, amortization, accretion, foreign exchange, stock-based compensation, acquisition costs, non-controlling interests and write-down of investment in Britco Australia LP. Black Diamond uses EBITDA primarily as a measure of operating performance. Management believes that operating performance, as determined by EBITDA, is meaningful because it presents the performance of the Company's operations on a basis which excludes the impact of how they have been financed and impairment write downs on goodwill and intangibles of its International business unit. In addition, management presents 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.

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 GAAP. Some of these limitations are that EBITDA:

- excludes certain income tax payments that may represent a reduction in cash available to the Company;
- does not reflect the Company's cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, the Company's working capital needs;
- 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 EBITDA does not reflect any cash requirements for such replacements; and
- other companies in the industry may calculate EBITDA differently than the Company does, limiting its usefulness as a comparative measure.

Because of these limitations, 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 GAAP results and using EBITDA only supplementary.

Reconciliation of Consolidated Profit to EBITDA:

For the three months ended December 31

(in thousands of dollars)	2014	2013	$ Change
Profit	(3,616)	13,654	(17,270)
Add:			
Depreciation and amortization	14,564	14,441	123
Finance costs	1,989	2,285	(296)
Deferred income taxes	3,217	3,058	159
Current income taxes	466	3,576	(3,110)
Non-controlling interest	1,795	(533)	2,328
Impairment loss	8,219	—	8,219
Share-based compensation	1,460	123	1,337
Write-down of investment in Britco Australia LP	—	1,792	(1,792)
EBITDA	28,094	38,396	(10,302)

For the twelve months ended December 31

(in thousands of dollars)	2014	2013	$ Change
Profit	35,038	53,216	(18,178)
Add:			
Depreciation and amortization	54,786	51,354	3,432
Finance costs	7,582	7,895	(313)
Deferred income taxes	6,399	9,472	(3,073)
Current income taxes	11,785	11,536	249
Non-controlling interest	5,359	2,581	2,778
Acquisition costs	—	300	(300)
Provision of guarantee of debt of an investee	5,202	—	5,202
Impairment loss	8,219	—	8,219
Share-based compensation	5,249	3,035	2,214
Write-down of investment in Britco Australia LP	—	1,792	(1,792)
EBITDA	139,619	141,181	(1,562)

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

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:

For the twelve months ended December 31 (in thousands of dollars)	2014	2013	Change
Cash Flow from Operating Activities	170,864	114,863	56,001
Add/(Deduct):			
Book value of used fleet sales to operating activities	(21,666)	(11,743)	(9,923)
Reclassification of trade receivables to long-term	(1,324)	591	(1,915)
Changes in non-cash working capital	(20,040)	25,634	(45,674)
Funds available for dividends	127,834	129,345	(1,511)

For the three months ended December 31 (in thousands of dollars)	2014	2013	Change
Cash Flow from Operating Activities	51,975	34,579	17,396
Add/(Deduct):			
Book value of used fleet sales to operating activities	(2,800)	(3,420)	620
Reclassification of trade receivables to long-term	(1,292)	2,276	(3,568)
Changes in non-cash working capital	(23,807)	1,463	(25,270)
Funds available for dividends	24,076	34,898	(10,822)

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

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

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

Readers are cautioned that the Non-GAAP measures are not alternatives to measures under GAAP 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, 2014 $	December 31, 2013 $
Due to related parties	667	2,171

The amount due to related parties relates to the distributions and royalties payable to the non-controlling interests.

Key Management Personnel Compensation

Key management personnel compensation	2014 $	2013 $
Salaries, bonuses, fees and other short-term employee benefits	5,284	4,778
Severance payments	—	1,692
Share-based compensation	6,440	2,172
Total Compensation	**11,724**	**8,642**

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

Black Diamond's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to Black Diamond is made known to Black Diamond's Chief Executive Officer and Chief Financial Officer by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by Black Diamond in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. In making its assessment, the officers used the Committee of Sponsoring Organizations of the Treadway Commission framework in Internal Control - Integrated Framework (2013) to evaluate the design and effectiveness of internal control over financial reporting. Such officers have evaluated, or cause to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures at December 31, 2014 and have concluded that the Company's disclosure controls and procedures are effective at December 31, 2014.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Black Diamond's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of Black Diamond's financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Such officers have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal controls over financial reporting at December 31, 2014 and have concluded that the Company's internal controls over financial reporting are effective at December 31, 2014.

Black Diamond is required to disclose herein any change in Black Diamond's internal controls over financial reporting that occurred during the period beginning on October 1, 2014 and ended on December 31, 2014 that has materially affected, or is reasonably likely to materially affect, Black Diamond's internal controls over financial reporting. No material changes in Black Diamond's internal controls over financial reporting were identified during such period that have materially affected, or are reasonably likely to materially affect Black Diamond's internal controls over financial reporting.

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

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

CRITICAL ACCOUNTING POLICIES, JUDGMENTS & ESTIMATES

Judgments

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

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

Operating lease commitments – Company as lessor

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

Determination of control and significant influence

Management has used judgment in assessing whether the Company exerts control and significant influence over its subsidiaries and investments, respectively. Management has determined that the Company does not exert significant influence over APB Britco LP in respect of which it holds a 20% interest.

Definition of a business

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

Determination of a CGU

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

Business combinations - purchase price allocation

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

Aggregation of interest in subsidiaries

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

Income Taxes

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

Fair value measurement of financial instruments

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

Estimates and assumptions

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

Revenue recognition

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

Impairment of non-financial assets

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

Asset retirement obligations

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

Additional estimates

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

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

Changes in Accounting Policies and disclosure

Several new standards and amendments apply for the first time in 2014. The nature and the impact of each new standard/ amendment is described below:

IFRIC 21 Levies

IFRIC 21 was developed by the IFRS Interpretations Committee and is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., IAS 12 "Income Taxes") and fines or other penalties for breaches of legislation. The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. Lastly, the interpretation clarifies that a liability should not be recognized before the specified minimum threshold to trigger that levy is reached. The Company adopted this interpretation as of January 1, 2014 and it did not have a material impact on the Company's consolidated financial statements.

IAS 32 Offsetting Financial Assets and Financial Liabilities

The amended standard requires entities to disclose both gross information and net information about both instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. The repurchase and cancellation of shares by the company, required the application of this standard. There was no retrospective application as the initial purchases commenced on October 6, 2014.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's consolidated financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective on or after January 1, 2015.

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 is effective for annual periods beginning on or after July 1, 2014. The amendment is not expected to have an impact to the Company as it reflects 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 is effective for annual periods beginning on or after July 1, 2014. The amendment is expected to have an impact on disclosure only and not 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 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 is effective for annual periods beginning on or after July 1, 2014. The amendment is not expected to have an impact to the Company as it reflects current accounting policy of the Company.

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 from contracts with customers
IFRS 15 specifies how and when to recognize revenue and requires entities to provide users of financial statements with more informative, relevant disclosures. This standard supersedes IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and a number of revenue-related interpretations. IFRS 15 will be effective for annual periods beginning on or after January 1, 2017. Application of the standard is mandatory and early adoption is permitted. The Company has not yet determined the impact of the standard on the Company's financial statements.

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

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