MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three month periods ended March 31, 2014 and 2013

BLACK DIAMOND GROUP

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") was prepared as of May 7, 2014 and is provided to assist readers in understanding Black Diamond Group Limited's ("Black Diamond" or the "Company") financial performance for the three month period ended March 31, 2014 and significant trends that may affect the future performance of Black Diamond. This MD&A should be read in conjunction with the unaudited condensed consolidated financial statements of the Company for the three month periods ended March 31, 2014 and 2013 and the audited consolidated financial statements of the Company for the years ended December 31, 2013 and 2012. The accompanying unaudited condensed consolidated interim financial statements of Black Diamond are prepared in accordance with International Financial Reporting Standards ("IFRS"). 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 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, including management's future expectations in respect of same set out under the heading "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 counterparties 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.

OVERVIEW OF THE COMPANY

Black Diamond Group Limited was incorporated on October 7, 2009, under the laws of the Province of Alberta pursuant to the Business Corporations Act (Alberta) to participate in a plan of arrangement involving, among others, Black Diamond's predecessor Black Diamond Income Fund (the "Fund"), Black Diamond Group Limited and the unit holders of the Fund. Effective December 31, 2009, pursuant to the plan of arrangement, the Fund restructured from an unincorporated open-ended income fund trust to Black Diamond Group Limited, a publicly listed corporation.

Black Diamond Group Limited's ("Black Diamond" or the "Company") head office is located at Suite 2000, 715 – 5th Avenue S.W., Calgary, Alberta, Canada. The business of Black Diamond, through its subsidiaries and its approximate 50% equity participation in certain aboriginal partnerships is to rent modular structures for use as workforce accommodation and temporary workspace; rent various types of oilfield equipment used in the exploration and production of oil and gas; and provide lodging services and complementary services including transportation, installation, dismantling, repair and maintenance of modular structures and oilfield rental equipment. Black Diamond operates through four complementary business units in strategic locations across Canada, the United States and Australia, consisting of Black Diamond Structures, Black Diamond Logistics, Black Diamond Energy Services and Black Diamond International.

Black Diamond Structures provides workforce housing and associated services through its Black Diamond Camps operating division to a diversified client base which includes natural resource exploration and development companies, large catering and food services providers, engineering and construction companies, drillers, general contractors, pipeline constructors and municipal, provincial and federal governments. Black Diamond Camps' operates primarily in Western Canada and its products include large dormitories, kitchen/diner complexes and recreation facilities. This division offers customers flexible and expedient solutions to accommodate their workforce in remote locations where local accommodation infrastructure is either insufficient or non-existent. In addition to workforce housing rental units, this division offers both new and used units for sale and provides delivery, installation, project management and ancillary products and services. Black Diamond Structures also provides modular workspace solutions throughout North America through its BOXX Modular operating division. This division provides high quality, cost effective modular space solutions to a diversified client base which includes general contractors, construction trades, real estate developers, manufacturers, commercial businesses, government agencies, and various companies involved in the resource industry. BOXX Modular's products include 'single wide' office units, lavatories, storage units, large multi-unit office complexes, training (classroom) facilities, custom manufactured modular facilities and blast resistant structures. These products offer customers flexible and expedient solutions to meet their temporary and permanent workspace and storage needs.

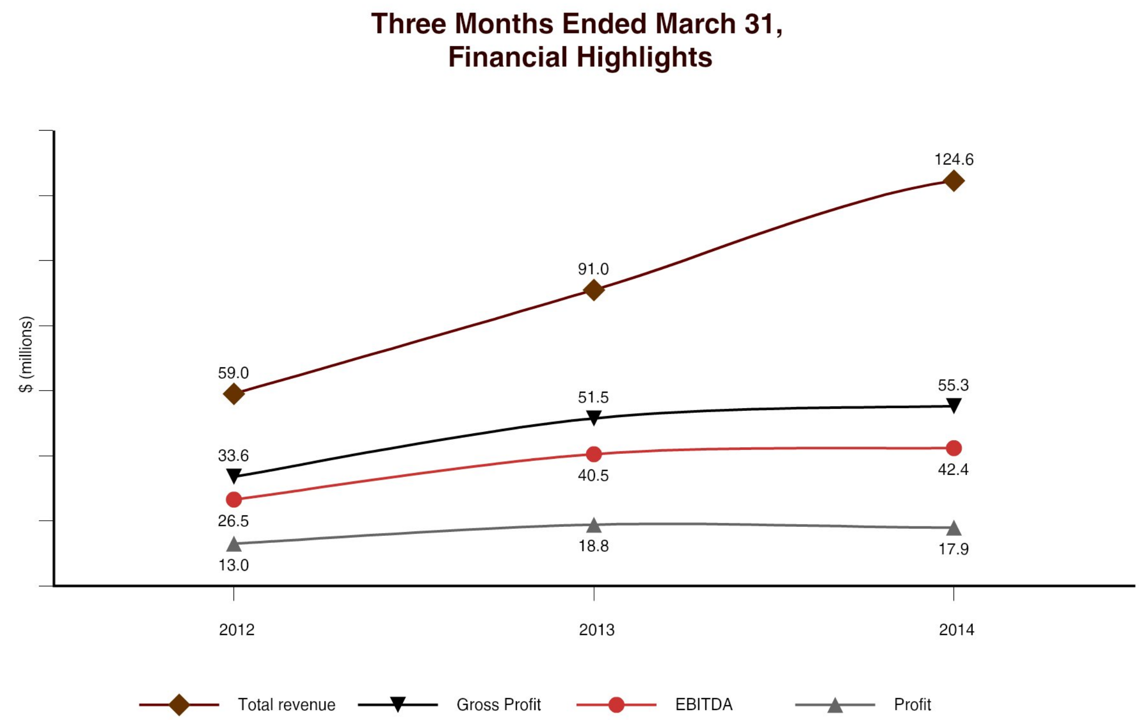
Black Diamond Logistics provides turnkey lodging services, remote facility management and supply chain solutions. This business unit manages a number of workforce housing facilities, utilizes both the Company's and third party owned assets, and provides associated services for customers. This business unit also provides sophisticated supply chain management services to large exploration and production customers to improve efficiency of their remote workforce services.

Black Diamond Energy Service's primary business is separated into the following two oilfield rental streams: surface rentals consisting of various types of equipment supporting drilling, completion and production activities, and accommodations which consist of single unit (well sites) and multi-unit complexes (drill camps) which are highly mobile and durable and which, when fully assembled, create a single building to house, feed and provide life support amenities to oilfield crews and support staff. The business unit also provides complete installation and maintenance services (operations) for its rental assets.

Black Diamond International rents and sells remote workforce housing and modular workspace solutions and provides associated services 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's diverse customer base includes natural resource companies, building and construction companies, commercial and general industrial companies, and government.

2014 FIRST QUARTER HIGHLIGHTS

The key highlights for the three months ended March 31, 2014 are as follows:



- Revenue for the three months ended March 31, 2014 (hereafter referred to as the "Quarter") increased by 37% to $124.6 million compared to the three months ended March 31, 2013 (hereafter referred to as the "Comparative Quarter"), with significant increases in non-rental and lodging revenue, and continued growth of the core rental platform.

- The primary driver of Black Diamond's core business continues to be rental revenue from fleet units, which increased by $2.7 million to $43.1 million in the Quarter. Rental revenue increased as a result of continued investment in the Company's rental fleet. Consolidated unit count increased to 10,159 units in the Quarter compared to 9,714 in the Comparative Quarter. The revenue impact of the growth in fleet size was partially offset by lower utilization rates. Workforce accommodation fleet utilization decreased from 95% in the Comparative Quarter to 93% in the Quarter while space rentals fleet utilization decreased from 85% in the Comparative Quarter to 80% in the Quarter. The International business unit also saw utilization rates decrease from 82% in the Comparative Quarter to 67% in the Quarter. Utilization in the Energy Services business unit was relatively consistent with the Comparative Quarter.

- Revenue increased in the Quarter primarily due to fleet sales, which are included in non-rental revenue, as well as continued growth in the Logistics business unit.

- The Company's lodging revenue increased significantly during the Quarter, posting a 43% increase compared to the Comparative Quarter, primarily driven by managed bedcounts increasing by 51%, or 1,831 units, in the Quarter relative to the Comparative Quarter.

- EBITDA (see "Non-GAAP Measures") for the Quarter was $42.4 million compared with $40.5 million for the Comparative Quarter, a 4% increase.

- Profit decreased slightly from $18.8 million in the Comparative Quarter to $17.9 million in the Quarter, primarily due to higher depreciation of property and equipment.

2014 HIGHLIGHTS (continued)

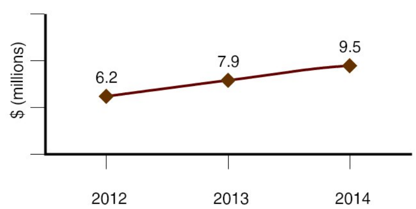
- The Company has incurred $19.2 million of capital expenditures in the Quarter. An additional $38.1 million from the 2014 capital budget was committed as at March 31, 2014. Future capital will be expended in a generally non-speculative manner consistent with prior years.

- The Company continues to operate with a conservative amount of debt financing. At March 31, 2014, the net debt to EBITDA ratio was 1.19.

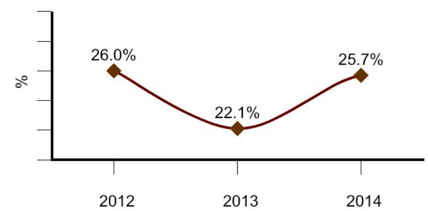
- The Company paid dividends of $0.075 per share per month in January through March.

- The payout ratio (see "Non-GAAP Measures") for the Quarter was 25.7% (Comparative Quarter - 22.1%).

First Quarter Dividends Declared



First Quarter Payout Ratio



2014 HIGHLIGHTS (continued)

Trends affecting the Company's business

In accordance with its strategic plan, the Company is continuously evaluating organic growth opportunities and potential acquisitions that may expand the Company's platform or add complementary service offerings. Some of the key industry trends that are affecting, or may affect, Black Diamond's business and prospects are as follows:

- Ongoing development activities in western Canada from oil sands and oil and gas resource plays have increased demand for the Company's fleet assets and non-rental and lodging services in western Canada.
- Several oil and gas industry participants have announced an intention to pursue liquefied natural gas ("LNG") developments in western Canada. If any of these projects proceed, they are expected to result in increased demand for assets and services such as those offered by the Company. As well, significant infrastructure and upstream gas development would be needed to support these LNG projects, again driving demand for the Company's assets and services.
- Increased levels of construction activity in the United States, particularly along the Gulf Coast, and increased oil and gas resource development is expected to result in an increased demand for work space assets and well site accommodations.
- In Australia, ongoing weakness in the Australian mining sector is impacting demand for workforce accommodation units. This may be somewhat offset by demand from the gas sector due to upstream development activities to support the LNG industry.
- Labour demand in western Canada has resulted in a requirement by customers for larger, more modern workforce accommodations. This trend is expected to continue as shortages of labour result from the high levels of construction activity for proposed LNG and oil sands facilities.
- The Company's strategy in respect of the Logistics business unit is to continue to grow the business unit in scale by expanding its scope of services to offer customers an array of facility management and supply chain solutions, in addition to turnkey lodging services. The strategy helps to optimize customers' remote accommodation needs through a combination of one stop solutions and tailored services. This provides customers with a high quality product within a reasonable time at their choice of location bundled with tailored services at a competitive cost. Though revenue from lodging and ancillary services typically generates lower margins than the Company's core rental platform, it is easily scalable with minimum capital outlay thereby resulting in improved overall returns to shareholders. With increased scale of the Logistics service offerings, the Company targets incremental return from its overall asset base.

OUTLOOK

Demand for accommodations and space rentals remains strong, driven by a number of factors including; resource development in the Western Canadian Sedimentary Basin, oilsands activity as well as related infrastructure, and a general strengthening of the economy. In addition to strength in the Company's traditional markets, management believes LNG related work will drive additional demand not only for the Company's assets, but for its experience and expertise in large, remote accommodations and workspace projects. Other factors such as increasing workforce accommodation space per person, and the Company's progress in presenting complimentary service offerings from the Logistics business unit are also anticipated to contribute favourably.

Accordingly, the Company continues to have a wide opportunity set to grow its platform for the foreseeable future. The Company's disciplined philosophy around capital allocation remains unchanged and the Company's capital will be dispersed in a generally non-speculative manner, consistent with prior years.

The second quarter of 2014 will see an anticipated reduction in revenue primarily due to seasonality. The Company therefore expects a sequential decline of financial results compared with those generated in the Quarter, but still forecasts growth compared to prior-year performance. The third and fourth quarters of 2014 are also expected to show steady growth versus the comparable periods in 2013.

SELECTED FINANCIAL INFORMATION

The following is a summary of selected financial and operating information that has been derived from, and should be read in conjunction with, the unaudited condensed interim consolidated financial statements of Black Diamond for the Quarter and the Comparative Quarter.

	Three months ended March 31		
(in thousands, except as noted)	**2014**	**2013**	**2012**
Financial Highlights	$	$	$
Total revenue	124,576	90,980	58,957
Gross Profit	55,343	51,522	33,600
Gross Profit %	44%	57%	57%
Administrative expenses (1)	13,855	12,339	7,689
Administrative expense %	11%	14%	13%
EBITDA (2)	42,384	40,482	26,478
EBITDA %	34%	44%	45%
Net income before taxes	25,386	26,462	16,961
Net income	17,903	18,764	13,043
Per share - Basic	0.42	0.45	0.35
- Diluted	0.41	0.45	0.34
Capital expenditures	19,174	21,926	19,677
Investment in Australian Portable Buildings Pty. Ltd.	—	39,349	—
Property & equipment	484,506	464,325	310,694
Total assets	701,306	625,465	440,601
Long-term debt	166,299	155,362	86,191
Dividends declared	9,531	7,876	6,187
Per share	0.23	0.19	0.17
Payout ratio (2)	26%	22%	26%

Notes:

(1) Certain figures from the prior period financial statements have been reclassified to conform to the current year's presentation.

(2) EBITDA and payout ratio are supplemental non-Generally Accepted Accounting Principles 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.

SELECTED OPERATING INFORMATION

	Three months ended March 31		
	2014	**2013** (2)	**2012** (2) (3)
Operational Highlights			
Structures Business Unit			
Workforce accommodation units	3,081	2,861	2,054
Average utilization during the period	93%	95%	91%
Workforce accommodation bedcount	12,479	11,751	7,612
Space rental units in fleet	3,347	3,120	2,768
Average utilization	80%	85%	76%
Logistics Business Unit			
Beds under management (1)	5,456	3,625	1,528
Energy Services Business Unit			
Drilling accommodation units	312	290	216
Average utilization during the period	79%	77%	85%
Drilling accommodation bedcount	966	921	813
Surface rental equipment	2,227	2,333	2,348
Average utilization	39%	39%	54%
International Business Unit			
Workforce accommodation and space rental units	1,192	1,110	n/a
Workforce accommodation bedcount	1,670	1,610	n/a
Average utilization	67%	82%	n/a
Consolidated unit count	10,159	9,714	7,386
Consolidated bed count	15,115	14,282	8,425

Notes:

1) As at March 31, 2014, of the total beds under management in the Logistics business unit, 4,370 are owned by Black Diamond and included in the Structures workforce accommodation bedcount, and the remaining 1,086 beds are managed by Black Diamond on behalf of third parties.

2) The method used to calculate the average utilization rates for the Quarter was changed to a weighted utilization instead of simple utilization used in prior periods. This change does not materially affect the prior period utilization rates and therefore they were not restated.

3) Certain figures from the prior period have been reclassified to conform to the current year's presentation.

BLACK DIAMOND GROUP

RESULTS OF OPERATIONS

The Company's senior management evaluates segment performance based on a variety of measures depending on the particular segment being evaluated, including profit, operating expenses, return on assets and EBITDA. 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. EBITDA by segment excludes depreciation, amortization, finance costs, deferred and current taxes, non-controlling interest, and share based compensation. Senior management considers this earnings measure as an important indicator of segment performance.

Segmented Results

The following is a summary of the Company's segmented results for the Quarter and the Comparative Quarter, detailing revenues by each of the Company's business units. The rental component of the Logistics service offerings is included in Structures, while the service component remains in Logistics.

Three months ended March 31, 2014 and 2013:

	2014 $	2013 $
Revenue		
Structures	67,989	46,063
Logistics	40,421	28,228
Energy Services	11,751	10,681
International	4,415	6,008
Total Revenue	124,576	90,980

RESULTS OF OPERATIONS (continued)

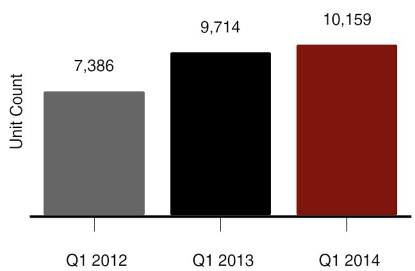
Revenue

Consolidated

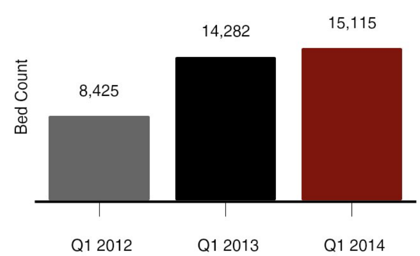
($ millions, except as noted)	Three months ended March 31, 2014		2013	
		(1)		(1)
Rental Revenue	43.1	35%	40.4	44%
Lodging Revenue	40.4	32%	28.2	31%
Non-Rental Revenue	41.1	33%	22.4	25%
Revenue	**124.6**		**91.0**	

(1) Percentage of consolidated revenue

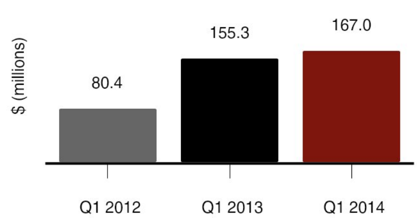
Consolidated Unit Count



Consolidated Bedcount



Consolidated Contracted Future Revenue



The $2.7 million or 7% increase in rental revenue in the Quarter from the Comparative Quarter was due to the 5%, or 445 unit increase in the number of fleet units in the Quarter, partially offset by decreases in utilization rates in the Structures and International business units.

Lodging revenue increased by 43% in the Quarter from the Comparative Quarter primarily due to the increase of 51%, or 1,831, beds under management in the Logistics business unit.

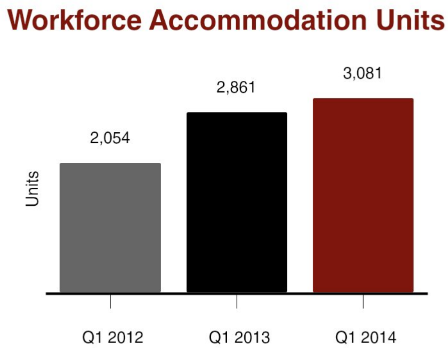
Non-rental revenue increased significantly in the Quarter, by $18.7 million or 84%, largely due to increased used fleet sales in the Quarter, as well as completion of several installation projects in the Quarter.

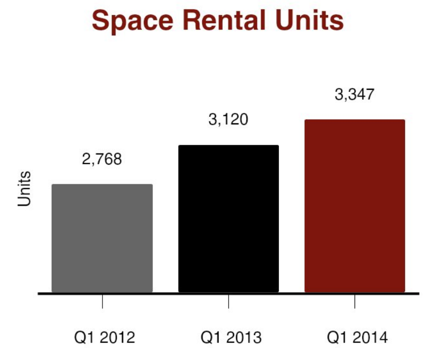
RESULTS OF OPERATIONS (continued)

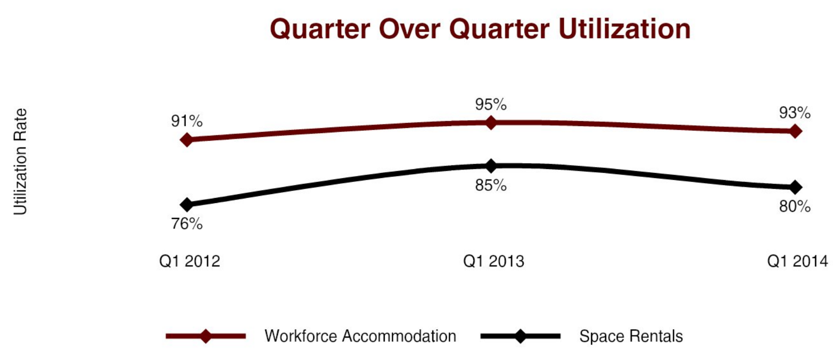
Structures Business Unit

($ millions, except as noted)	Three months ended March 31,			
	2014		2013	
Revenue	**68.0**	(1)	**46.1**	(1)
% of Consolidated Revenue	55%		51%	
Rental Revenue	34.2	50%	30.7	67%
Non-Rental Revenue	33.8	50%	15.4	33%
EBITDA	33.7	50%	29.7	64%

(1) Percentage of Structures Revenue.







Continued high levels of utilization are a reflection of the type of equipment Black Diamond deploys and the longer-term nature of the rental contracts Black Diamond has favoured.

The rental revenue for the Structures business unit is directly proportional to the:

1. Number and value of fleet units;
2. Utilization rate for the fleet; and
3. Rental rate.

The influence of the number of units and the utilization rates are discussed below because these are the most significant factors. Effective rental rates vary between periods due to the complexity of types of fleet units rented in varying configurations, number and duration of contracts, project locations and other factors.

RESULTS OF OPERATIONS (continued)

Structures Business Unit (continued)

Revenue increased in the Quarter relative to the Comparative Quarter by $21.9 million, or 48%, due to both strong rental revenue and non-rental revenue. Non-rental revenue increased by 119% in the Quarter relative to the Comparative Quarter due to an increase in sales of modular units, as well as revenue associated with the installation and dismantle of camps. These two factors represent approximately 70% and 30%, respectively, of the total increase in non-rental revenue from the Comparative Quarter. The 11% increase in rental revenue in the Quarter is predominantly derived from the 8%, or 220 unit, increase in the workforce accommodation fleet since the Comparative Quarter. In addition, during the Quarter there was a 7%, or 227 unit, increase in the space rental fleet over the Comparative Quarter. The average utilization rate of the space rental and workforce accommodation fleets decreased by 5% and 2%, respectively, over the Comparative Quarter. Rental rates remained strong in the Quarter.

EBITDA margin for the Quarter compared to the Comparative Quarter was lower primarily as a result of increase in non-rental revenue in the Quarter, which typically earns lower margins than those generated by the rental stream. EBITDA margins were also negatively impacted by lower than expected margins realized on certain large installation and dismantle projects in the Quarter.

Contracted Revenue

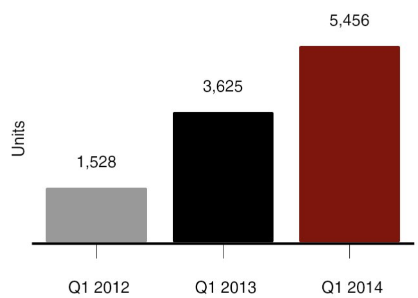
At March 31, 2014, the weighted average remaining contract rental term outstanding was approximately 10 months (Comparative Quarter - 11 months). Committed rental revenue from contracts in place at the end of the Quarter was $105.1 million (Comparative Quarter - $93.0 million).

RESULTS OF OPERATIONS (continued)

Logistics Business Unit

($ millions, except as noted)	Three months ended March 31, 2014	2013
Lodging Revenue	40.4	28.2
% of Consolidated Revenue	32%	31%
EBITDA	8.1	7.6
% of Logistics Revenue	20%	30%

Total Beds Under Management



The lodging revenue for the Logistics business unit is directly proportional to the:

1. Number of beds;
2. Occupancy levels at the camps;
3. Mix of camps; and
4. The initiation and completion of large projects.

For example, camp mix consists of the following types:

1. Day-rate camps - variable margin %; and
2. Cost-plus camps - fixed margin %.

Day-rate camps are those where the Company has greater variability of revenue and margins. These camps generally earn higher margins than cost plus camps where the Company manages the camps on behalf of its customers and earns a fixed markup with reduced risk.

Revenue increased by 43% in the Quarter versus the Comparative Quarter as a result of activity associated with several cost-plus camps. The increase in revenue was driven by a 51% increase in managed beds, from 3,625 in the Comparative Quarter to 5,456 in the Quarter, offset somewhat by the impact of a change in the mix of camp types.

Despite the increased revenue, EBITDA for the Quarter remained consistent with the Comparative Quarter due to a change in the mix of camps. Specifically, the number of managed beds in higher margin daily rated camps decreased from 58% in the Comparative Quarter to 29% in the Quarter, which resulted in a lower EBITDA % in the Quarter when compared with the Comparative Quarter.

Contracted Revenue

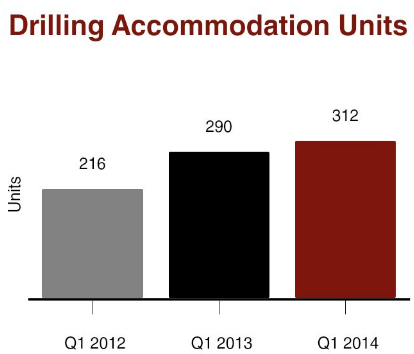
At March 31, 2014, Logistics had contracts in place to provide a minimum of $54.1 million (Comparative Quarter - $52.4 million) of lodging service revenue for the camps it operates. This excludes the rental of equipment, which is reported in the Structures business unit.

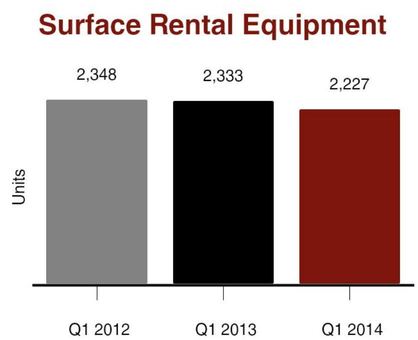
RESULTS OF OPERATIONS (continued)

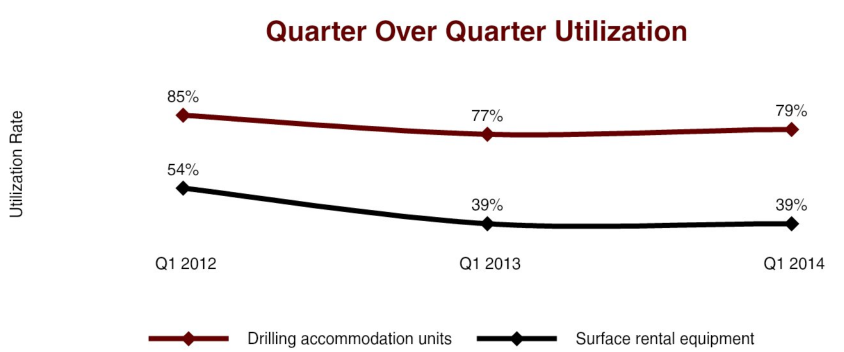
Energy Services Business Unit

($ millions, except as noted)	Three months ended March 31,			
	2014		2013	
		(1)		(1)
Revenue	**11.8**		**10.7**	
% of Consolidated Revenue	9%		12%	
Rental Revenue	6.2	53%	6.4	60%
Non-Rental Revenue	5.6	47%	4.3	40%
EBITDA	4.0	39%	4.2	39%

(1) Percentage of Energy Services Revenue.







Rental revenue for the Energy Services business unit is directly proportional to the:

1. Number and value of fleet units;
2. Utilization rate for the units; and
3. Rental rate.

Revenue increased in the Quarter by 10% over the Comparative Quarter mainly due to an increase in non-rental revenue, including an increase in used equipment sales, operations and sublease activity, partially offset by a reduction in catering activity. Rental revenue declined slightly due to reduced market pricing for surface rental assets partially offset by an increase in the number of accommodation units.

RESULTS OF OPERATIONS (continued)

Energy Services Business Unit (continued)

The drilling accommodations fleet increased by 8% in the Quarter over the Comparative Quarter. The increase includes drill camps as well as a complement of wellsite units, free standing sleepers and support units. A strategic review of specific surface rental assets resulted in a disposal of under-utilized assets, thereby reducing the surface rental fleet to 2,227 in the Quarter from 2,333 in the Comparative Quarter.

EBITDA decreased slightly for the Quarter relative to the Comparative Quarter due to the revenue mix, with non-rental revenue accounting for 47% of total revenue in the Quarter compared to 40% in the Comparative Quarter. Non-rental revenue typically generates lower margins as the revenue stream is more service related than the rental revenue stream.

Contracted Revenue
At March 31, 2014, the weighted average remaining contract rental term outstanding was approximately two months (Comparative Quarter - three months). Committed rental revenue from contracts in place at the end of the Quarter was $4.2 million (Comparative Quarter - $2.7 million).

RESULTS OF OPERATIONS (continued)

International Business Unit

($ millions, except as noted)	Three months ended March 31,			
	2014		2013	
		(1)		(1)
Revenue	**4.4**		**6.0**	
% of Consolidated Revenue	4%		7%	
Rental Revenue	2.7	61%	3.3	55%
Non-Rental Revenue	1.7	39%	2.7	45%
EBITDA	1.7	39%	2.6	43%

(1) Percentage of International Revenue.

The rental revenue for the International business unit is directly proportional to the:

1. Number and value of fleet units;
2. Utilization rate for the fleet; and
3. Rental rate.

The influence of the number of units and the utilization rates are discussed below because these are the most significant factors. Effective rental rates vary between periods due to the complexity of types of fleet units rented in varying configurations, number and duration of contracts, project locations, and other factors.

Rental revenue in the Quarter was lower than the Comparative Quarter due to lower average fleet utilization. Non-Rental revenue was also lower primarily due to less operational activity than the comparable period.

The mining industry in Australia has historically been a major source of demand for the Company's assets. Reduced activity in this sector has led to reduced asset utilization. This trend is anticipated to continue throughout 2014. This may be mitigated by emerging opportunities in other sectors of the Australian economy such as Oil & Gas and infrastructure.

The International business unit added 82 workforce accommodation and space rental units during the Quarter.

Administrative expenses were lower compared to the Comparative Quarter reflecting the non-recurrence of a number of costs associated with the establishment of the Australian operation.

EBITDA decreased in the Quarter from the Comparative quarter due to the expiration of a large contract.

Contracted Revenue
As at March 31, 2014, the weighted average remaining contract rental term outstanding was approximately five months (Comparative Quarter - seven months) and the committed rental revenue from contracts in place was $3.6 million (Comparative Quarter - $7.2 million).

RESULTS OF OPERATIONS (continued)

Direct Costs and Gross Profit

($ millions, except as noted)	Three months ended March 31,			
	2014		2013	
		(1)		(1)
Direct Costs	69.2	56%	39.5	43%
Gross Profit	55.3	44%	51.5	57%

(1) Percentage of Consolidated Revenue.

Direct costs as a percentage of revenue increased by 13%, with a corresponding decrease in gross profit percentage in the Quarter relative to the Comparative Quarter. This is primarily due to an increased relative weighting of lodging and non-rental revenue in the Quarter. Lodging and non-rental revenue have lower margins than rental revenue. Both these revenue streams are more service intensive than our core rental platform. Lodging and non-rental revenue were 32% and 33% of total revenue in the Quarter, respectively, compared with 31% and 25%, respectively, in the Comparative Quarter.

Direct costs attributable to revenue when arriving at the gross profit are the labour, fuel, materials, freight and maintenance required in maintaining, servicing and moving the units to the contracted sites. In addition, there are often opportunities for Black Diamond to sell units from its fleet, rent equipment from third parties and re-rent the equipment, provide logistics services or to provide installation and other services to customers. The net book value of sold units, costs of units sub-leased from others and the cost of transport from third parties are included in the direct costs. Revenue streams ancillary to the rental revenue are generally at lower gross margins than the fleet rental operations; therefore, depending on the proportion of revenue generated from these other activities in any given period, gross profit margins may fluctuate.

Administrative Expenses

($ millions, except as noted)	Three months ended March 31,			
	2014		2013	
		(1)		(1)
Administrative expenses	13.9		12.3	
% of Consolidated Revenue	11%		14%	
Personnel	7.8	56%	5.7	46%
Occupancy & Insurance	1.5	11%	1.4	12%
Other Administrative Expenses	4.6	33%	5.2	42%

(1) Percentage of Administrative expenses.

Administrative expenses increased 13% in the Quarter over the Comparative Quarter predominately as a result of the increased scale of the business which led to increased personnel expenses.

Personnel costs increased 37% in the Quarter compared to the Comparative Quarter as the Company continued to accommodate the growing scale of the business, with additional hires for new positions and increased employee compensation expense. Personnel head count increased by approximately 55 persons in the Quarter from the Comparative Quarter, representing a 16% increase.

Occupancy and insurance costs increased 7% in the Quarter compared to the Comparative Quarter mainly on account of increases in fleet insurance due to the increased size of the total fleet under management. In addition, occupancy costs have increased in the Quarter due to the rise in staff complement.

RESULTS OF OPERATIONS (continued)

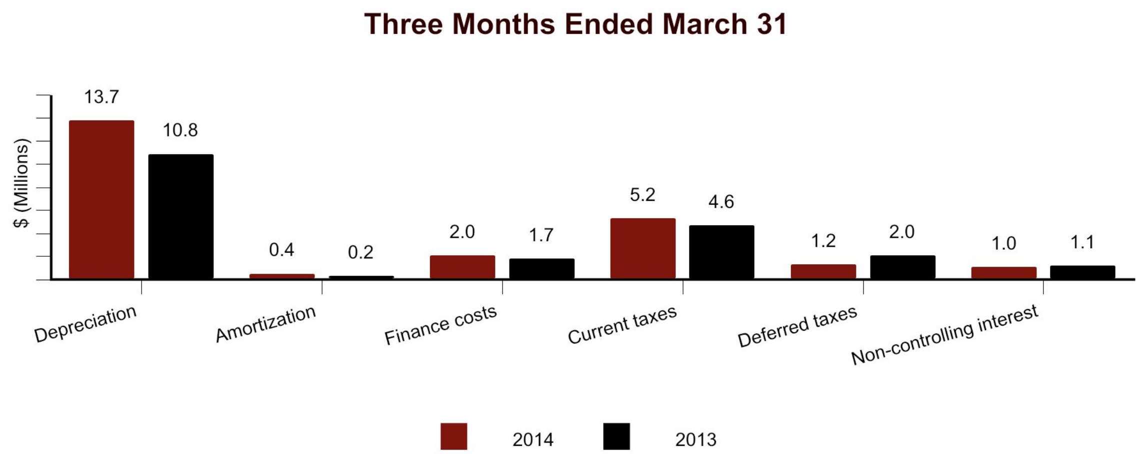
Other administrative expenses decreased approximately 12% in the Quarter primarily due to higher professional fees incurred in the Comparative Quarter relating to restructuring work on the Company's corporate structure, as well as legal fees relating to the increased size of business, including the Australian acquisition.

EBITDA

($ millions, except as noted)	Three months ended March 31,	
	2014	**2013**
EBITDA (1)	42.4	40.5
% of Consolidated Revenue	34%	44%

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

The EBITDA percentage for the Quarter was lower than the Comparative Quarter as a result of lower gross margins generated due to the significantly higher percentage of the business generated from ancillary revenue streams such as lodging services, used fleet sales, logistics, installation, sublease and other services.



Depreciation increased in the Quarter relative to the prior periods due to general fleet growth.

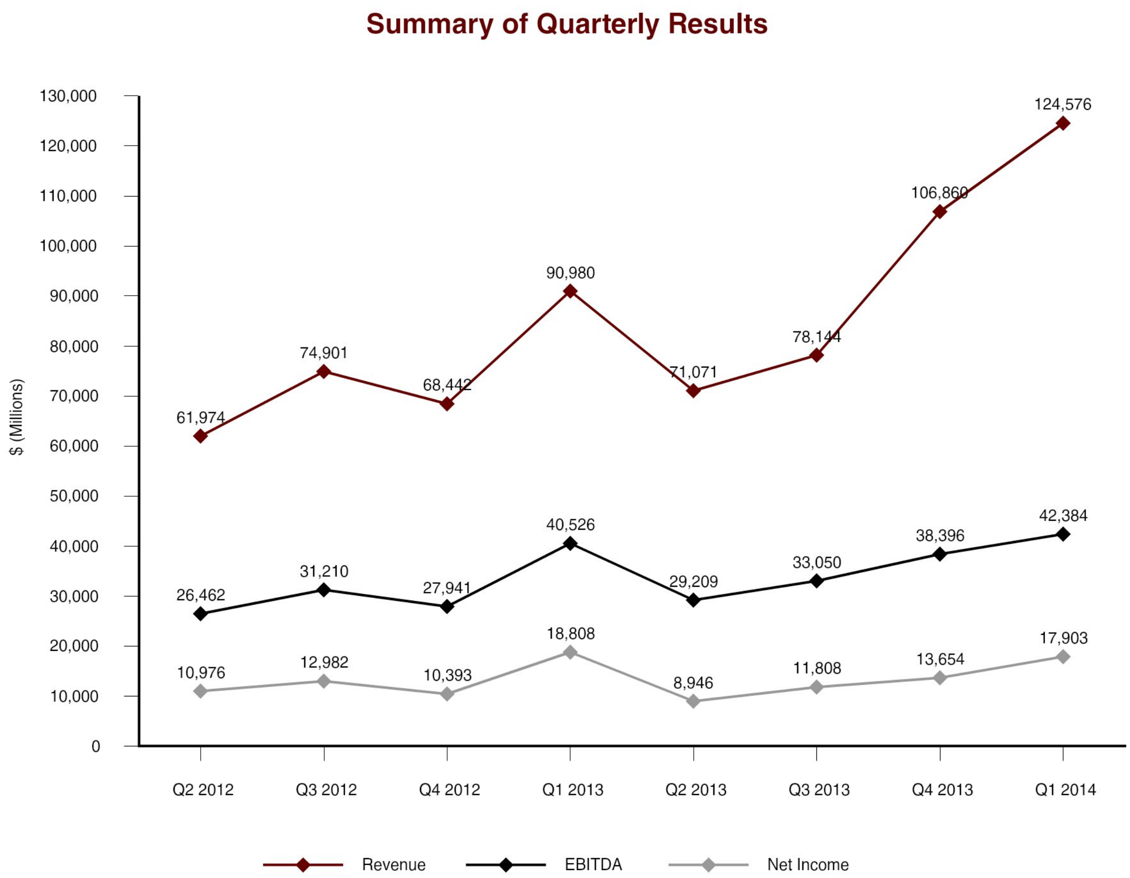
The increase in finance costs represents interest that was charged on the utilization and availability of credit facilities, and interest charged on the senior secured notes outstanding. Average interest rates in the Quarter were 4.39% compared with 4.35% for the Comparative Quarter. Average long-term debt in the Quarter was $39.3 million higher than that in the Comparative Quarter.

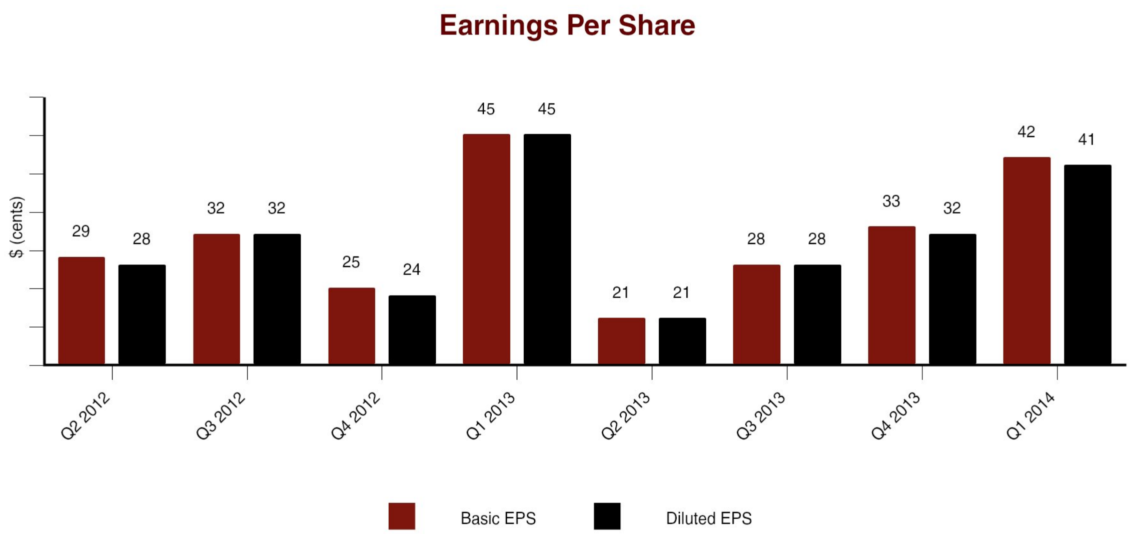
For the Quarter, Black Diamond incurred a current income tax provision of $5.2 million (Comparative Quarter - $4.6 million) and a deferred income tax provision of $1.2 million (Comparative Quarter - $2.0 million). This future income tax provision arises due to the changes in the temporary timing differences between the book value and the tax value of the net assets held by Black Diamond that is expected to reverse after 2015. It has been calculated at the enacted tax rate of 25.11% in Canada, 40% in the United States and 30% in Australia. At March 31, 2014, the future tax liability was $55.8 million compared to $54.3 million at March 31, 2013. The increase is due to the provision for future income taxes incurred during 2014.

The non-controlling interest 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.

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 March 31, 2014, Black Diamond had made capital expenditure commitments with key manufacturers of modular structures in the amount of $38.1 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 and drawdowns on the existing credit facilities.

Capital Expenditures

Black Diamond's capital expenditures relate primarily to:

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

For the Quarter, Black Diamond expended $19.2 million (Comparative Quarter – $21.9 million) on additions to property and equipment. The additions consisted of:

($ millions, except as noted)	Three months ended March 31,		
	2014	**2013**	**$ Change**
Structures	10.5	5.6	4.9
Energy Services	3.3	2.0	1.3
Logistics	1.1	3.5	-2.4
International	3.6	10.7	-7.1
Corporate	0.7	0.1	0.6
	19.2	21.9	-2.7

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)	Three months ended March 31,		
	2014	**2013**	**$ Change**
Cash from operating activities	26.5	13.6	12.9
Cash used in investing activities	(12.1)	(65.5)	53.5
Cash from financing activities	(29.0)	54.0	(83.0)
Total cash increase / (decrease)	(14.6)	2.1	(16.6)

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 growth capital spending, dividends and interest, and principal repayments.

Cash provided by operating activities was $12.9 million higher in the Quarter than in the Comparative Quarter, primarily due to increased used fleet sales and decreased investment of working capital.

LIQUIDITY & CAPITAL RESOURCES (continued)

Sources and Uses of Cash (continued)

Cash used in investing activities was $53.5 million lower in the Quarter than in the Comparative Quarter primarily due to $41.1 million in acquisitions made in the Comparative Quarter.

Cash used by financing activities was $83.0 million lower in the Quarter than in the Comparative Quarter, primarily due to $18.0 million in net repayments from long-term debt and a large unrealized custom used fleet sale in the Quarter, compared with $45.0 million in net proceeds in the Comparative Quarter. In addition, there was $0.5 million in net repayments relating to the operating facility, while the Comparative Quarter had $15.5 million in net draw downs.

Working Capital

The following table presents summarized working capital information:

($ millions, except as noted)	Three months ended March 31,		
	2014	**2013**	**$ Change**
Current assets	161.7	134.0	27.7
Current liabilities	68.6	43.0	25.6
Working capital	93.1	91.0	2.1

The increase in current assets of $27.7 million from March 31, 2013 was largely due to an increase in accounts receivable of $39.8 million, and a decrease of $14.1 million in cash and cash equivalents. The increased accounts receivable balance is due to a large amount of revenue generated toward the end of the Quarter. The decrease in cash and cash equivalents is due to net repayments of long-term debt made in the Quarter.

The increase in current liabilities of $25.6 million from March 31, 2013 was largely due to an increase in accounts payable of $25.4 million due to timing of payments and increased operating activity.

Principal Debt Instruments

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

- a committed revolving operating facility in the amount of $15.0 million, all of which is available and $nil is drawn at March 31, 2014;
- a committed operating facility in the United States in the amount of US$3.0 million, all of which is available at March 31, 2014;
- a committed revolving capital expenditure facility of $130.0 million, all of which is available and $65.0 million is drawn at March 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; and
- $40.0 million principal amount of senior secured notes due on July 3, 2022, which rank pari passu with the senior credit facilities of the Company.

The Company issued a guarantee for AU $5,168 as part of the purchase consideration for the Company's 20% interest in Britco Australia LP which serves to guarantee a portion of its debt which is repayable on demand.

On July 3, 2013 Black Diamond 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 $21,315, 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.

LIQUIDITY & CAPITAL RESOURCES (continued)

Principal Debt Instruments (continued)

As at March 31, 2014, the average interest rate applied to amounts drawn on both the operating and capital expenditure facilities was 3.48% (2013 - 3.24%).

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 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 and fund capital expenditures. Black Diamond's cash generated from operations will be dependent upon future financial performance, which in turn will be subject to financial, business and other risk factors, including factors beyond Black Diamond's control. Management also believes that, dependent on capital market conditions, Black Diamond has the ability to raise additional debt or equity, if required.

The Company is committed to maintaining a strong balance sheet and flexible capital structure.

Debt Covenants

Black Diamond's financial debt covenants are as follows:

Covenant as at March 31, 2014	Required	Actual
Current Ratio	≥ 1.25:1	2.52
Total Funded Debt to EBITDA	≤ 3.00:1	1.19
EBITDA to Interest Plus Distributions	≥ 2.00:1	3.18
Tangible Net Worth	> $290.0M	$354.3M

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.

As at March 31, 2014, Black Diamond was in compliance with all financial debt covenants. Management continues to monitor compliance with debt covenants and believes that the Company will continue to be in compliance with debt covenants.

Share Capital

At March 31, 2014, Black Diamond had 42.4 million (December 31, 2013 - 42.1 million) common shares outstanding. In addition at March 31, 2014, Black Diamond had 3.9 million (December 31, 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 May 7, 2014:

Common shares	42,640
Stock options	3,598

LIQUIDITY & CAPITAL RESOURCES (continued)

Off-Balance Sheet Arrangements

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

Contingent Liabilities

The Company issued a guarantee for AUD 5,168 as part of the purchase consideration for the Company's 20% interest in Britco Australia LP which serves to guarantee a portion of its debt which is repayable on demand.

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 certain circumstances in service to the Company.

Seasonality of Operations

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

FINANCIAL INSTRUMENTS

All of Black Diamond's financial instruments as at March 31, 2014 relate to standard working capital accounts, credit facility items and an interest rate swap. There are no significant differences between the carrying value of these financial instruments and their estimated fair values.

Black Diamond is subject to both cash flow and interest rate risk on its committed revolving capital expenditure 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. On April 20, 2010, Black Diamond entered into a swap transaction to fix the rate of interest at 3.63% plus the credit spread on a notional $25 million of debt for a five year period expiring on April 10, 2015.

NON-GAAP MEASURES

The consolidated financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and are consistent with IFRS. 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, and non-controlling interest. 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. 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.

NON-GAAP MEASURES (continued)

The following is a reconciliation of consolidated Profit to EBITDA:

For the three months ended March 31, ($ millions)	2014	2013	$ Change
Profit	17.9	18.8	(0.9)
Add:			
Depreciation and amortization	14.1	11.0	3.0
Finance costs	2.0	1.7	0.3
Deferred income taxes	1.2	2.0	(0.8)
Current income taxes	5.3	4.6	0.7
Non-controlling interest	1.0	1.1	—
Acquisition costs	—	0.3	(0.3)
Share-based compensation	0.9	1.0	(0.1)
EBITDA	42.4	40.5	2.0

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.

The following is a reconciliation of Cash Flow from Operating Activities to Funds available for dividends:

For the three months ended March 31 ($ millions)	2014	2013	$ Change
Cash Flow from Operating Activities	26.5	13.6	12.9
Add/(Deduct):			
Book value of used fleet sales to operating activities	(11.1)	(0.9)	(10.2)
Reclassification of trade receivables to long-term	(0.6)	(1.1)	0.5
Changes in non-cash working capital	22.3	24.0	(1.7)
Funds available for dividends	37.1	35.6	1.5

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 property and equipment.

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.

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 for the year ended December 31, 2013 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 is recorded, processed, summarized and reported within the time period specified in securities legislation.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

Black Diamond is required to disclose herein any change in Black Diamond's internal controls over financial reporting that occurred during the period beginning on January 1, 2014 and ended on March 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 for the year ended December 31, 2013 is available on SEDAR at www.sedar.com.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS & ESTIMATES

Judgments and Estimates

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

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.

Definition of a business

Management has had to apply judgments relating to its acquisitions during the year with respect to whether the acquisitions were a business combination or an asset acquisition. Management applied 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.

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.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS & ESTIMATES (continued)

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.

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 at observable market prices less incremental costs for disposing of the asset. 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 cash-generating units ("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.

Provision for decommissioning

The Company has recognized a provision for decommissioning obligations associated with two open camps operated 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, collectability 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 LTIP, 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.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS & ESTIMATES (continued)

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.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
These amendments are effective for annual periods beginning on or after January 1, 2014 and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Company, since none of the entities in the Company would qualify as an investment entity under IFRS 10.

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