BLACK DIAMOND GROUP LIMITED

Annual Information Form

for the year ended December 31, 2020

March 4, 2021

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GLOSSARY OF TERMS

In this Annual Information Form, the following terms shall have the meanings set forth below, unless otherwise indicated.

"2017 NCIB" means the normal course issuer bid launched by the Corporation on August 9, 2017 to purchase for cancellation up to 4,930,526 Common Shares through the facilities of the TSX;

"**2020 NCIB**" has the meaning ascribed thereto under the heading "General Development of the Business – Three Year History – Year Ended December 31, 2020";

"**2021 Shareholders' Meeting**" has the meaning ascribed thereto under the heading "Description of Capital Structure – Shareholder Protection Rights Plan";

"**ABCA**" means the *Business Corporations Act* (Alberta), together with any or all regulations promulgated thereunder, as amended from time to time;

"**Amended Rights Plan**" means the amended and restated shareholder protection rights plan of Black Diamond having the terms set forth in the amended and restated shareholder protection rights plan agreement entered into between Black Diamond and Computershare Trust Company of Canada, as rights agent, on May 14, 2018 and as described under "Description of Capital Structure – Shareholder Protection Rights Plan".

"**Annual Information Form**" means this annual information form;

"**BDI**" means Black Diamond Group Inc., a corporation incorporated pursuant to the ABCA, which is a direct wholly-owned subsidiary of the Corporation;

"**Black Diamond**" or the "**Corporation**" means Black Diamond Group Limited, a corporation incorporated pursuant to the ABCA and, unless the context otherwise requires, includes the Corporation's subsidiaries (including Black Diamond LP, Black Diamond Dene LP, Black Diamond West Moberly LP, Black Diamond Nehiyawak LP and Whitecap Black Diamond LP) and the Corporation's business units. References to Black Diamond for the period prior to December 31, 2009 refer to the Fund;

"**Black Diamond Camps**" means the former Black Diamond Camps operating division of Black Diamond Structures, which division rented and sold remote workforce housing and provided associated services in North America, and which, along with BOXX Modular, was an operating division of Black Diamond Structures from January 1, 2013 until January 1, 2016;

"**Black Diamond Camps and Lodging**" means the former Black Diamond Camps and Lodging business unit of the Corporation from January 1, 2016 to December 31, 2017 and effective January 1, 2018, a component of Workforce Solutions, which rents and sells remote workforce housing solutions and provides associated services, including turnkey lodging services, remote facility management and supply chain solutions and energy services rentals;

"**Black Diamond Dene LP**" means Black Diamond Dene Limited Partnership, a limited partnership established under the laws of the Province of British Columbia;

"**Black Diamond Energy Services**" means the former Black Diamond Energy Services business unit of the Corporation, and effective January 1, 2018, a component of Workforce Solutions, which rents and sells a complement of ancillary equipment and provides associated services and, effective January 1, 2016, includes the United States well site business which was previously included in Black Diamond Structures;

"**Black Diamond International**" means the former Black Diamond International business unit of the Corporation and effective January 1, 2018, a component of Workforce Solutions, which operating division rents and sells remote workforce housing and modular workspace solutions and provides associated services in Australia;

"**Black Diamond Logistics**" means the former Black Diamond Logistics business unit of the Corporation, which business unit provided turnkey lodging services, remote facility management and supply chain solutions;

“**Black Diamond LP**” means Black Diamond Limited Partnership, a limited partnership established under the laws of the Province of Alberta;

“**Black Diamond Nehiyawak LP**” means Black Diamond Nehiyawak Limited Partnership, a limited partnership established under the laws of the Province of Alberta;

“**Black Diamond Structures**” means the former Black Diamond Structures business unit of the Corporation, which, through two operating divisions, Black Diamond Camps and BOXX Modular, rented and sold remote workforce housing and modular workspace solutions and provided associated services;

“**Black Diamond West Moberly LP**” means Black Diamond West Moberly Limited Partnership, a limited partnership established under the laws of the Province of British Columbia;

“**Board of Directors**” means the board of directors of the Corporation;

“**BOXX Modular**” means, as applicable, the former name of Modular Space Solutions from January 1, 2016 to December 31, 2017, which business unit rented and sold modular workspace solutions and provided associated services in North America and the former BOXX Modular operating division of Black Diamond Structures, which rented and sold modular workspace solutions and provided associated services, and which, along with Black Diamond Camps, was an operating division of Black Diamond Structures from January 1, 2013 to December 31, 2015. BOXX Modular continues to be a tradename and brand of MSS;

“**Britco BOXX LP**” means Britco BOXX Limited Partnership, a limited partnership established under the laws of the Province of Alberta;

“**Common Shares**” means the common shares of the Corporation, and following the close of business on August 25, 2011, refers to the common shares of the Corporation following the Share Split;

“**Conversion**” means the reorganization and restructuring of the Fund’s trust structure into the Corporation pursuant to a plan of arrangement pursuant to Section 193 of the ABCA on December 31, 2009;

“**Credit Facility**” means the revolving operating facility of Black Diamond as described under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2019”;

“**Effective Date**” has the meaning ascribed thereto under the heading “Description of Capital Structure – Shareholder Rights Protection Plan”;

“**Fund**” means Black Diamond Income Fund, an unincorporated open-ended trust established under the laws of the Province of Alberta which was reorganized and restructured into the Corporation on December 31, 2009 pursuant to the Conversion;

“**LodgeLink**” has the meaning ascribed thereto under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2020”;

“**Modular Space Solutions**” or “**MSS**” means the Modular Space Solutions business unit of the Corporation effective January 1, 2018, which business unit rents and sells modular workspace equipment and associated services in North America;

“**MPA Systems**” means MPA Systems, LLC, a limited liability corporation existing under the laws of the State of Texas;

“**OCIF**” has the meaning ascribed thereto under the heading “General Development of the Business – Three Year History – Year Ended December 31, 2020”;

“**Order**” has the meaning ascribed thereto under the heading “Directors and Executive Officers – Cease Trade Orders, Bankruptcies, Penalties or Sanctions”;

"**Original Rights Plan**" means the shareholder protection rights plan of Black Diamond having the terms set forth in the shareholder protection rights plan agreement entered into between Black Diamond and Computershare Trust Company of Canada, as rights agent, on March 4, 2015.

"**Person**" includes an individual, a body corporate, a partnership, a trust, a union, a pension fund, a government and a governmental agency;

"**Preferred Shares**" means preferred shares of the Corporation;

"**Right**" has the meaning ascribed thereto under the heading "Description of Capital Structure – Shareholder Rights Protection Plan";

"**Schiavi**" means Schiavi Leasing Corporation, a corporation existing under the laws of the State of Delaware;

"**SemBioSys**" has the meaning ascribed thereto under the heading "Directors and Executive Officers – Cease Trade Orders, Bankruptcies, Penalties or Sanctions";

"**Share Split**" means the split of all of the issued and outstanding Common Shares on a two-for-one basis as at the close of business on August 25, 2011;

"**Shareholders**" means the holders of Common Shares from time to time;

"**Spectrum**" has the meaning ascribed thereto under the heading "General Description of the Business – Three Year History – Year Ended December 31, 2020";

"**Spectrum Acquisition**" has the meaning ascribed thereto under the heading "General Description of the Business – Three Year History – Year Ended December 31, 2020";

"**subsidiary**" means, in relation to any Person, any body corporate, partnership, joint venture, association or other entity of which more than 50% of the total voting power of shares or units of ownership or beneficial interest entitled to vote in the election of directors (or members of a comparable governing body) is owned or controlled, directly or indirectly, by such Person;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;

"**TSX**" means the Toronto Stock Exchange;

"**Vanguard**" has the meaning ascribed thereto under the heading "General Development of the Business – Three Year History – Year Ended December 31, 2020";

"**Vanguard Acquisition**" has the meaning ascribed thereto under the heading "General Development of the Business – Three Year History – Year Ended December 31, 2020";

"**Whitecap Black Diamond LP**" means Whitecap Black Diamond Limited Partnership, a limited partnership established under the laws of the Province of Saskatchewan; and

"**Workforce Solutions**" or "**WFS**" means the Workforce Solutions business unit of the Corporation effective January 1, 2018, which rents and sells remote workforce housing, modular workspace solutions and ancillary equipment and provides associated services in Canada, the Unites States and Australia.

CONVENTIONS

The Fund completed the Conversion on December 31, 2009, consequently, references to Black Diamond for the period prior to December 31, 2009 refer to the Fund.

Unless otherwise indicated, all dollar amounts set forth in this Annual Information Form are in Canadian dollars.

Unless otherwise specified, information in this Annual Information Form is as at the end of Black Diamond's most recently completed financial year, being December 31, 2020.

NON-GAAP FINANCIAL MEASURES

Certain financial performance measures ("**Non-GAAP Financial Measures**") in this Annual Information Form are not recognized financial terms under Canadian generally accepted accounting principles ("**Canadian GAAP**"). For publicly accountable enterprises, such as the Corporation, Canadian GAAP is governed by principles based on International Financial Reporting Standards (IFRS) and interpretations of the international financial reporting interpretations committee. The Corporation uses such financial performance measures in order to provide shareholders and potential investors with additional measures to evaluate the Corporation's ability to fund its operations and information regarding its liquidity. In addition, these measures are used by management in its evaluation of performance.

Management believes these Non-GAAP Financial Measures are useful supplemental measures. These Non-GAAP Financial Measures do not have standardized meanings and may not be comparable to similar measures presented by other entities. Specifically, EBITDA and adjusted EBITDA are not measures recognized by Canadian GAAP and do not have standardized meanings prescribed by Canadian GAAP. The Non-GAAP Financial Measures should not be considered in isolation or as a substitute for measures prepared in accordance with Canadian GAAP. Reference is made to the advisories relating to Non-GAAP Financial Measures in the Corporation's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2020, which documents may be found on the Corporation's SEDAR profile located at www.sedar.com, for the definitions, calculations and reconciliations of such terms.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in this Annual Information Form are forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking statements. Such statements represent the Corporation's internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital expenditures, anticipated future debt levels and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions. Actual events or results may differ materially. In addition, this Annual Information Form may contain forward-looking statements attributed to third party industry sources.

Forward-looking statements included in this Annual Information Form include, but are not limited to, statements with respect to:

- the expected trend of macroeconomic conditions and their impact on the Corporation's operations;
- the economic life of the Corporation's assets;
- the Corporation's business and operations strategy;
- the Corporation's future growth and profitability;
- the Corporation's anticipated results of operations and performance;
- the Corporation's business prospects and opportunities; and
- realization of the anticipated benefits of acquisitions.

Although the Corporation believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because the Corporation cannot give assurance that such expectations will prove to be correct. The Corporation cannot guarantee future results, levels of activity, performance, or achievements. Moreover, the Corporation assumes no responsibility for the outcome of the forward-looking statements. Forward-looking statements are based on current expectations, estimates and projections that involve several risks and uncertainties which could cause actual results to differ materially from those anticipated by the Corporation and described in the forward-looking statements. Prospective investors should carefully consider the information contained under the heading "Risk Factors" in this Annual Information Form and all other information included in this Annual Information Form before making investment decisions with regard to the Common Shares.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Annual Information Form:

- disease outbreaks;
- volatility of industry conditions;
- operating risks and insurance;
- dependence on agreements and contracts;
- competition;
- credit risk;
- information technology systems and cyber security;
- vulnerability to market changes;
- weakness in resource industries
- access to additional financing;
- dependence on suppliers;
- reliance on key personnel;
- market price of Common Shares;
- safety performance;
- expansion into new activities;
- government regulation;
- failure to realize anticipated benefits of acquisitions and dispositions;
- environmental liability;
- environmental regulation of the Corporation's customers;
- climate change;
- indigenous relationships;
- dilution;
- workforce availability;
- variations in foreign exchange rates and interest rates;
- foreign operations;
- dependence on operating permits;
- maturity of Credit Facility;
- management of growth;
- litigation;
- potential replacement or reduced use of products and services;
- income taxes;
- conflicts of interest;
- restrictive covenants and leverage;
- alternatives to and changing demand for petroleum products; and
- forward-looking information or statements may prove inaccurate.

With respect to forward-looking statements contained in this Annual Information Form, the Corporation has made assumptions regarding, among other things, that counter-parties will perform on contracts entered into with the Corporation; that capital expenditure levels will be consistent with the Corporation's disclosed capital expenditure program; that the Corporation will be able to obtain equity and debt financing on satisfactory terms; that natural resource prices, including, without limitation, oil, natural gas, coal, iron ore and other base metals and other commodities will be substantially in line with current price forecasts; that the Corporation will be able to market its services successfully to current and new customers; that the Corporation will be able to obtain labour and other industry services at reasonable rates; that interest and foreign exchange rates will not vary materially from current levels; and that existing regulatory regimes will continue without material modification. Management has included the above summary of assumptions and risks related to forward-looking statements included in this Annual Information Form to provide readers with a more complete perspective on the Corporation's future operations. Readers are cautioned that these statements may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement.

These forward-looking statements are made as of the date of this Annual Information Form and the Corporation disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

CORPORATE STRUCTURE

Name, Address and Incorporation

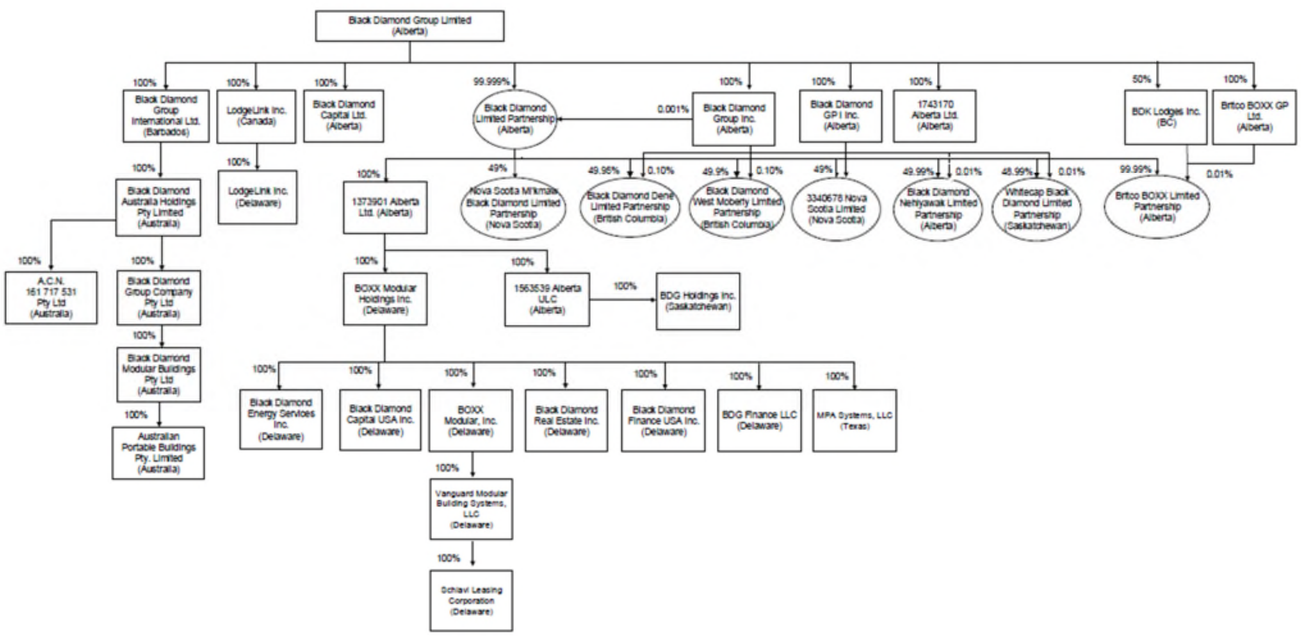
Black Diamond Group Limited

Head Office:	Registered Office:
Suite 1000, 440 – 2nd Avenue S.W.	Suite 4600, 525 – 8th Avenue S.W.
Calgary, Alberta T2P 5E9	Calgary, Alberta T2P 1G1

The Corporation was incorporated pursuant to the ABCA on October 7, 2009. On December 31, 2009, the Corporation and the Fund completed a plan of arrangement pursuant to Section 193 of the ABCA pursuant to which the Fund's trust structure was reorganized and restructured into the Corporation. On December 31, 2009, pursuant to the plan of arrangement, holders of trust units of the Fund received one Common Share for each trust unit held and the Corporation assumed all the liabilities and obligations of the Fund.

Intercorporate Relationships

The following diagram illustrates the Corporation's principal operating subsidiaries and partnerships, their respective direct and indirect ownership and their jurisdiction of incorporation, continuance or formation, as the case may be, as at the date of this Annual Information Form.



Limited Partnerships

Black Diamond LP

Black Diamond LP is a limited partnership registered on September 13, 2006 under the *Partnership Act* (Alberta). BDI is the general partner of Black Diamond LP, which is a wholly-owned subsidiary of the Corporation.

Black Diamond Dene LP

Black Diamond Dene LP is a limited partnership registered on October 8, 2009 under the *Partnership Act* (British Columbia). BDI, as general partner, and Black Diamond LP and the Fort Nelson First Nation, as limited partners, formed Black Diamond Dene LP through which BDI and the Fort Nelson First Nation work together to provide quality services to resource development as well as other commercial and industrial activity in the Fort Nelson First Nation traditional territory in northeastern British Columbia. Each of Black Diamond LP and the Fort Nelson First Nation own approximately a 50% equity interest in Black Diamond Dene LP.

Black Diamond West Moberly LP

Black Diamond West Moberly LP is a limited partnership registered on October 21, 2010 under the *Partnership Act* (British Columbia). BDI, as general partner, and Black Diamond LP and the West Moberly First Nations, as limited partners, formed Black Diamond West Moberly LP through which BDI and the West Moberly First Nations work together to provide quality services to resource development as well as other commercial and industrial activity in the West Moberly First Nations traditional territory located at the west end of Moberly Lake, British Columbia, approximately 90 kilometres southwest of Fort St. John, British Columbia. Each of Black Diamond LP and the West Moberly First Nations own approximately a 50% equity interest in Black Diamond West Moberly LP.

Black Diamond Nehiyawak LP

Black Diamond Nehiyawak LP is a limited partnership registered on April 2, 2013 under the *Partnership Act* (Alberta). BDI, as general partner, and Black Diamond LP and the Beaver Lake Cree Nation, as limited partners, formed Black Diamond Nehiyawak LP through which BDI and the Beaver Lake Cree Nation, located near Lac La Biche, Alberta, work together to provide quality services to resource development as well as other commercial and industrial activity in the Beaver Lake Cree Nation traditional territory in northeastern Alberta. Each of Black Diamond LP and the Beaver Lake Cree Nation own approximately a 50% equity interest in Black Diamond Nehiyawak LP.

Whitecap Black Diamond LP

Whitecap Black Diamond LP is a limited partnership registered on December 2, 2014 under the *Partnership Act* (Saskatchewan). BDI, as general partner, and Black Diamond LP and the Whitecap Dakota First Nation, as limited partners, formed Whitecap Black Diamond LP through which BDI and Whitecap Dakota First Nation work together to provide services to resource development companies as well as other commercial and industrial activity in the Whitecap Dakota First Nation territory in central Saskatchewan. Each of Black Diamond LP and the Whitecap Dakota First Nation own approximately a 50% equity interest in Whitecap Black Diamond LP.

Britco BOXX LP

Britco BOXX LP is a limited partnership registered on February 13, 2017 under the *Partnership Act* (Alberta). Britco BOXX GP Ltd. is the general partner of Britco BOXX LP, which is a wholly-owned subsidiary of the Corporation.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The following is a summary of the significant events in the development of Black Diamond's business over the last three completed financial years.

Year Ended December 31, 2018

On March 8, 2018, the Corporation announced that Edward H. Kernaghan was appointed to the Board of Directors.

On April 16, 2018, the Corporation entered into a non-binding agreement to assume the land lease and ongoing operations of Sunset Prairie Lodge, which is located between Fort St. John and Dawson Creek in British Columbia. Pursuant to the terms of the agreement, the Corporation received a cash payment of $11.2 million, which is net of the costs associated with acquiring the approximately 60-acre Crown lease with a remaining 8-year term and a renewal option. In exchange for the cash payment, the Corporation assumed responsibility for the eventual cost of dismantling the lodge. The Sunset Prairie Lodge was subsequently converted from dedicated rental to an open lodge in the second quarter of 2018 and is operated by the Corporation's partnership with the West Moberly First Nations.

On July 16, 2018, the Corporation announced that its WFS business unit was conditionally awarded a $42.5 million camp contract to provide remote workforce accommodations for the construction of the proposed Coastal GasLink pipeline project in British Columbia, subject to a positive final investment decision by the joint venture participants of LNG Canada. In addition, the Corporation's partnership with the West Moberly First Nations was conditionally awarded a 908-bed turnkey camp contract for 27 months to service the construction of the Coastal GasLink pipeline project.

The Corporation's 2017 NCIB expired on August 8, 2018. The Corporation did not acquire any Common Shares pursuant to the 2017 NCIB.

Year Ended December 31, 2019

On January 28, 2019, the Corporation announced that its WFS business unit received notice to proceed with its camp contract to provide remote workforce accommodations for the construction of the proposed Coastal GasLink pipeline project in British Columbia. Following receipt of the notice to proceed, all conditions related to the conditional contract award were satisfied and work began on the project in the second quarter of 2019. In addition, the Corporation was awarded a 304-bed rental contract in Kitimat to support initial infrastructure build out in the region. The assets were installed in late March 2019 and the rental contract has a minimum 12-month term with an option to extend.

On April 29, 2019, the Corporation announced a $20.0 million rental contract for the WFS business unit in the United States, whereby the Corporation is supplying 1,584 beds to a customer based in California. The initial term of the contract is for a minimum of nine months, with an option to extend.

On October 31, 2019, the Corporation entered into a four-year secured asset-based revolving credit facility ("**Credit Facility**"). Scotiabank Asset Finance is the administrative agent of the facility, which consists of a maximum $200.0 million revolving line, plus an uncommitted $50.0 million accordion. The borrowing base, or available amount at any given time under the facility, is based on 85 – 90% of the net orderly liquidation value of eligible rental fleet and qualified receivables, up to $200.0 million. The Corporation incurred costs in the amount of $2.4 million associated with the early termination of its existing debt facilities as at October 31, 2019, which the secured asset-based revolving credit facility replaced.

Year Ended December 31, 2020

On January 13, 2020, the Corporation announced that it obtained approval from the TSX to commence a normal course issuer bid (the "**2020 NCIB**"). Under the 2020 NCIB, the Corporation may, over a 12-month period commencing on January 15, 2020, purchase in the normal course through the facilities of the TSX or alternate trading systems, up to 4,180,249 Common Shares, such amount representing 10% of the public float of the Common Shares and approximately 7% of the 55,907,555 Common Shares issued and outstanding at the time of announcement. Subject to certain exemption for block purchases, the maximum number of Common Shares that the Corporation may acquire on any one trading day is 8,969 Common Shares, such amount representing 25% of the average daily trading volume of the Common Shares of 35,876 for the six calendar months prior to the start of the 2020 NCIB. All Common Shares purchased by the Corporation under the 2020 NCIB will be cancelled. The 2020 NCIB will terminate on the earlier of January 14, 2021, the date on which the Corporation has purchased the maximum number of Common Shares permitted under the 2020 NCIB or the date on which the 2020 NCIB is terminated.

On January 28, 2020, the Corporation announced that it acquired (the "**Spectrum Acquisition**") 100% of Spectrum Building Systems, Inc. and Spectrum Leasing, LLC (together, "**Spectrum**"). Spectrum is a privately-owned supplier of modular buildings and turnkey modular solutions headquartered in Gainesville, Georgia. Spectrum was founded in 2001 and has a strong and well-earned reputation within Georgia and surrounding states. The Spectrum Acquisition included 202 rental fleet assets from single-wide construction-site offices to larger, more customized solutions. The Corporation did not assume long term liabilities or debt obligations, but it did assume a real estate lease for the one operating location in Gainesville, Georgia. The Spectrum Acquisition had an effective date of January 1, 2020.

On October 1, 2020, the Corporation announced that it and Wskijnu’k Mtmo’taqnuow Agency Ltd, a corporate body wholly owned by the 13 Mi’kmaq communities in Nova Scotia, working in partnership as the Mi’kmaq of Nova Scotia Black Diamond Limited Partnership, received a letter of award from the proponents of the Goldboro LNG Facility, confirming that the Mi’kmaq of Nova Scotia Black Diamond Limited Partnership had been selected to exclusively negotiate the contract, estimated at $720.0 million, providing for the construction of a lodge and associated amenities during the 4 year construction phase of the Goldboro LNG Facility proposed for Guysborough County, Nova Scotia. The contract is expected to have a final investment decision on or before June 30, 2021.

On November 30, 2020, the Corporation announced that it completed the acquisition of Vanguard Modular Building Systems (“**Vanguard**”) through its U.S. subsidiary, BOXX Modular, Inc. (the “**Vanguard Acquisition**”) for US$58.7 million plus US$3.0 million of deferred receivables for total purchase price consideration of US$61.7 million. The purchase price consisted of US$50 million cash, the issuance of US$8.7 million of preferred shares of BOXX Modular Holdings Inc., and US$3.0 million of Common Shares of the Corporation. The acquisition of Vanguard increased the size of the Corporation’s U.S. MSS platform and adds critical scale in the education rentals market. In conjunction with the Vanguard Acquisition, the Corporation expanded its Credit Facility to $300.0 million from $200.0 million with an additional uncommitted $50.0 million accordion.

On December 16, 2020, the Corporation announced that its wholly owned subsidiary, LodgeLink Inc. (“**LodgeLink**”), had obtained up to $3.0 million of funding through the Opportunity Calgary Investment Fund (“**OCIF**”), representing an investment into LodgeLink’s technology-based operations to transform workforce travel. The OCIF funding is expected to support the creation of approximately 300 tech jobs along with an anticipated equal amount of commercial and administrative positions over the next five years.

Recent Developments

On January 13, 2021, Black Diamond announced that it obtained approval from the TSX to commence a normal course issuer bid (the "**2021 NCIB**"). Under the 2021 NCIB, the Corporation may, over a 12-month period commencing on January 15, 2021, purchase in the normal course through the facilities of the TSX or alternate trading systems, up to 4,208,716 Common Shares, such amount representing 10% of the public float of the Common Shares and approximately 7% of the 58,252,072 Common Shares issued and outstanding at the time of announcement. Subject to certain exemption for block purchases, the maximum number of Common Shares that the Corporation may acquire on any one trading day is 8,224 Common Shares, such amount representing 25% of the average daily trading volume of the Common Shares of 32,896 for the six calendar months prior to the start of the 2021 NCIB. All Common Shares purchased by the Corporation under the 2021 NCIB will be cancelled. The 2021 NCIB will terminate on the earlier of January 14, 2022, the date on which the Corporation has purchased the maximum number of Common Shares permitted under the 2021 NCIB or the date on which the 2021 NCIB is terminated. During the 2020 NCIB, the Corporation obtained approval to purchase 4,180,249 Common Shares, and actually purchased 328,600 Common Shares at a weighted average price of approximately $1.26 per Common Share through the facilities of the TSX and alternative trading systems.

On February 16, 2021, Black Diamond announced that WFS had been awarded a contract with approximate total value of $16 million over 26 months in Australia. The contract will support a sizable infrastructure project in central Queensland and includes full turn-key remote accommodations for 250 workers a week as a complement of space rental equipment to service site office requirements.

Significant Acquisitions

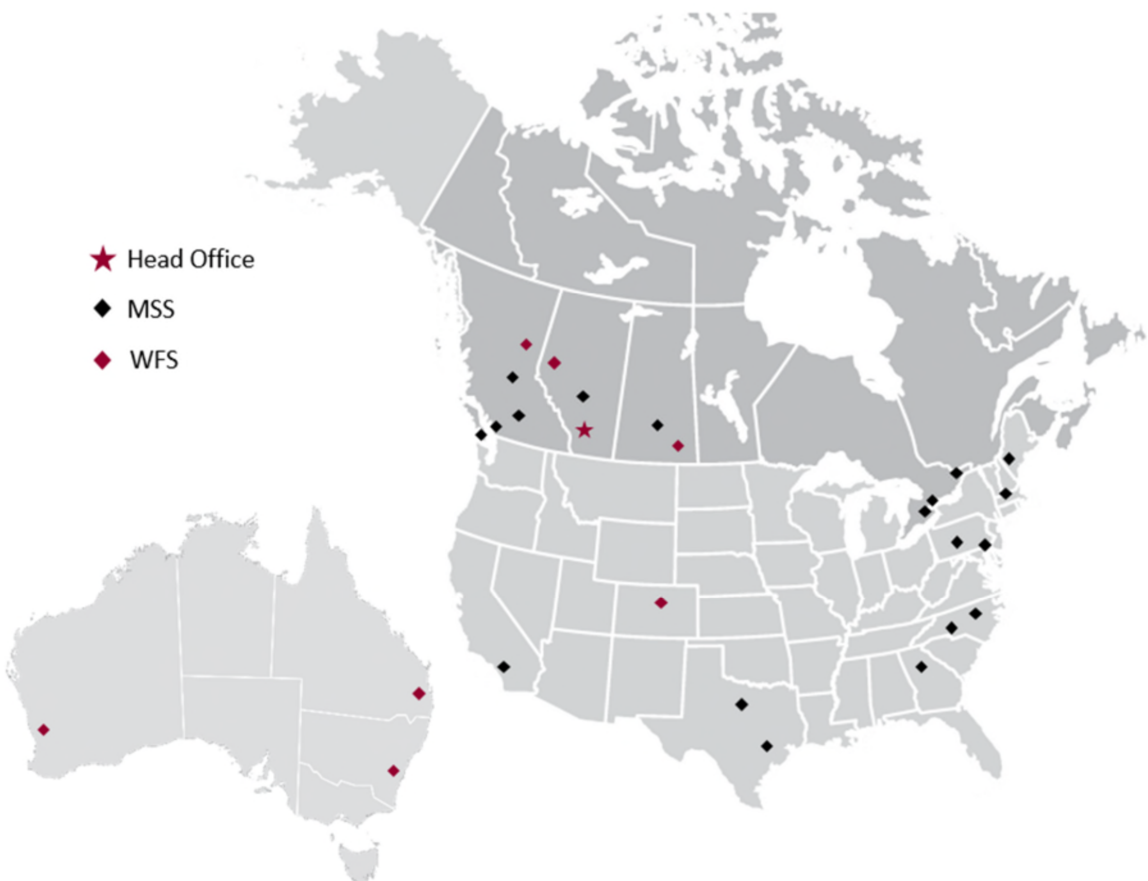
The Corporation did not complete any significant acquisitions during its most recently completed financial year for which disclosure is required under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations.*

DESCRIPTION OF THE BUSINESS

General

Black Diamond is a specialty rentals and industrial services company with two operating business units - Modular Space Solutions (MSS) and Workforce Solutions (WFS). The Corporation operates in Canada, the United States and Australia. MSS, through its principal brands, BOXX Modular, Britco, MPA Systems, Spectrum, Vanguard and Schiavi, owns a large rental fleet of modular buildings of various types and sizes. Its network of local branches rent, sell, service, and provide ancillary products and services to a diverse customer base in the construction, industrial, education, financial, and government sectors. WFS through its principal brands, Black Diamond Camps and Black Diamond Energy Services, and through its approximate 50% equity participation in certain Indigenous limited partnerships, owns a large rental fleet of modular accommodation assets of all types and sizes and a fleet of liquid and solid containment assets. Its regional operating terminals rent, sell, service, and provide ancillary products and services including turn-key operated camps to a wide array of customers in the resource, infrastructure, construction, disaster recovery, and education sectors. The WFS business unit also includes the Corporation's wholly-owned subsidiary, LodgeLink, which operates a digital marketplace for business-to-business crew accommodation, travel, and logistics in North America.

Black Diamond operates its two complementary business units in 27 strategic locations across Canada, the United States and Australia as shown in the maps below:



Business Units

Black Diamond operates two principal business units, Modular Space Solutions and Workforce Solutions. The MSS business unit operates under the brands BOXX Modular, Britco, Vanguard Modular, Schiavi and MPA Systems. The WFS business unit is comprised of the brands Black Diamond Camps and Black Diamond Energy Services.

The businesses of, and services provided by, each of Black Diamond's two complementary business units are described below.

Modular Space Solutions (MSS)

MSS is a provider of modular buildings in Canada and the United States. This business unit has grown both organically through the procurement of new manufactured rental equipment and non-rental service offerings, and through the acquisition of existing fleet equipment. As at December 31, 2020, the MSS rental fleet consisted of 8,784 units of which 4,586 were located in Canada and 4,198 in the United States. Operating from branch offices in Langley, Nanaimo, Kelowna and Prince George, British Columbia; Edmonton and Calgary, Alberta; Regina, Saskatchewan; Toronto and Ottawa, Ontario; Los Angeles, California; Dallas and Houston, Texas; Exton and Marietta, Pennsylvania; Knightdale and Lowell, North Carolina; Conley, Georgia; Oxford, Maine; Danvers, Massachusetts and Atlanta, Georgia, this business unit 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, education providers, financial institutions, government agencies and various companies involved in the resource industry. The products include “single wide” office units, lavatories, storage units, large multi-unit office complexes, classroom facilities, banking facilities, health care facilities, high security modular buildings, 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. To provide customers with turnkey solutions, this business unit offers ancillary rental items such as furniture and office equipment. In addition to rental, this business unit offers both new and used units for sale and provides delivery, installation, project management, disaster recovery facility program as well as ancillary products and services.

The MSS rental buildings consist of wood or steel framed structures mounted on either chassis with axles and running gear or on steel channel skids, and contain materials which are typical of conventional buildings, such as plywood sheathing, gypsum board, wood paneling, vinyl flooring, metal siding, and rubber membrane roofing. These units are typically equipped with heating and air conditioning, electrical panels and circuitry, plumbing as required, windows, doors, and hardware. These units are intended to be flexible by allowing for reconfiguration of interior partitions, the addition or removal of washrooms, and in the case of complexes, to be connected to form larger and more versatile space configurations. Management specifies newly manufactured equipment in such a way as to reasonably extend the rental life of the asset through durability, versatility, and desirability. As a result, management is of the view that these units, if properly maintained, will continue to work at market rates in excess of 25 years.

Workforce Solutions (WFS)

WFS provides customers with solutions for their workforce accommodation requirements and associated services. The WFS business utilizes the Black Diamond Camps and Black Diamond Energy Services brands. The functions and descriptions of each component are set out below. The average rooms available for the year ended December 31, 2020 in the Corporation’s lodges was 1,218, and the total managed rooms was 2,787. WFS’ rental fleets for the year ended December 31, 2020 averaged 3,311 units for workforce housing accommodations, 619 units for wellsite accommodations and 2,995 units for surface equipment. The consolidated room count respect to WFS’ workforce accommodations fleet for the year ended December 31, 2020 in Canada, the United States and Australia were10,167, 1,575 and1,164, respectively through WFS, the Corporation also operates LodgeLink, a digital marketplace for business-to-business crew accommodations, travel and logistics in North America.

Large Format Workforce Accommodations

WFS provides workforce housing and associated services throughout Canada and certain regions of the United States to a client base which includes oil and natural gas exploration and development companies, mineral and metals mining and processing companies, large catering and food services providers, engineering and construction companies, drillers, general contractors, pipeline constructors, and municipal and provincial governments. WFS’ products include relocatable dormitories, kitchen/diner complexes, recreation facilities and supporting utility assets which offer customers flexible and expedient solutions to accommodating their workforce in remote locations where local accommodation infrastructure is either insufficient or non-existent. In addition to workforce housing rental units, this business unit offers both new and used units for sale and provides delivery, installation, project management and ancillary products and services.

The WFS typical workforce housing rental equipment (units) consists of wood framed structures mounted on steel I-beam skids, and contains materials which are typical of conventional buildings, such as plywood sheathing, gypsum board, vinyl flooring, metal siding, and rubber membrane roofing. These units are typically equipped with heating and air conditioning, electrical panels and circuitry, plumbing as required, windows, doors and hardware. The units are generally fully furnished with bedroom, recreation amenities and/or cooking equipment. Management of the Corporation is careful to specify new manufactured equipment in such a way as to reasonably extend the rental life of the asset through durability, versatility and desirability. Management is of the view that these units, if properly maintained, will continue to work at market rates for an extended period of time.

WFS also provides turnkey lodging services, remote facility management and sophisticated supply chain management services to customers to improve efficiency of remote services. It operates five open lodges (Sunday Creek, Sunset Prairie Lodge, Horn River Lodge, Little Prairie Lodge and Smoky River Lodge) which provide lodging services to a variety of customers on a non-dedicated basis. The leases, accommodation facilities and related infrastructure of the open lodges are owned by the Corporation.

Small Format Workforce Accommodation and Energy Services

WFS also provides the rental of industrial surface equipment and small format rapid deployment accommodation equipment along with full installation and maintenance services from operating locations in Fort St. John, British Columbia; Grande Prairie, Alberta; Estevan, Saskatchewan; Fort Lupton, Colorado; Williston, North Dakota; Midland and Fort Worth, Texas. The business can be separated into the following two product types:

Wellsite Quarters and Drill Camps: are single and multi-unit complexes which are highly mobile and durable and which, when fully assembled, create a single building to house, feed and provide living amenities to work crews and support staff. These accommodation units relocate often and typically work on day rates which provide volatility to revenue streams. While these units are typically used for drill site accommodations, the Corporation continues find other creative applications for these units. This segment also includes self-contained living quarters for engineers and geologists (commonly referred to as wellsite units or staff quarters) and single unit sleepers. Freestanding fleet units typically work on day rates and have a variety of applications both within and outside of the resource sector.

Industrial Equipment Rentals: consists of various types of industrial rental equipment used in general and industrial construction and production in several markets including general and industrial construction and production types and energy, mining, infrastructure, and agriculture. This includes equipment specific to liquid and solid containment such as various sizes of tanks, environmental containment systems, fluids management and transfer equipment, light towers, matting, power generation, industrial heaters and various related types of equipment .

Australia

WFS also rents and sells remote workforce housing and modular workspace solutions and provides associated services in Australia near the major centres of Sydney, Brisbane and Perth. The rental fleet assets are similar to assets which the Corporation operates in North America and are well-positioned in both the urban and resource-rich regions of Australia. WFS' diverse customer base in Australia includes natural resource companies, building and construction companies, commercial and general industrial companies, public and private education and government. These customers are primarily located in the States of Queensland, Western Australia, New South Wales and Victoria, Australia.

LodgeLink

LodgeLink is focused on innovative technology-enabled workforce travel services. LodgeLink aggregates available hotels and lodges in an online platform and allows customers to book and manage all aspects of crew travel and accommodations. The LodgeLink business is focused on applying technology to remove inefficiency from the travel management process for work crews. The platform has been tailor-made around the unique needs of work crews and saves customers time and money searching for accommodation, managing reservations, and provides consolidated invoicing and powerful reporting to better manage crew travel. In October 2019, LodgeLink acquired a three-person travel agency to provide flights and other travel services to our crew-based customers. As at December 31, 2020, LodgeLink had capacity of 241,559 rooms across 2,482 listed properties and over 582 corporations that have signed a master services agreement to use LodgeLink. In 2020, the marketplace handled 100,267 room nights of bookings.

Revenues Generated by Categories of Principal Services

The following sets forth the percentages of total consolidated revenues generated from each of Black Diamond's principal business units for the applicable periods:

Business Unit	Year Ended December 31, 2020	Year Ended December 31, 2019
MSS	52%	47%
WFS	48%	53%

Business Strategy

Black Diamond's current business strategy is summarized as follows:

Rental Rate and Utilization. Black Diamond's rental business has three key drivers: capital cost of rental assets; utilization; and average rental rate. Black Diamond's ability to maintain or increase revenue streams from existing assets depends on its ability to keep the units rented at as high a rental rate as the Corporation can obtain. To accomplish this, the Corporation must maintain a high-quality fleet in good condition; be able to provide a variety of sizes and types of units to satisfy the varied requirements of Black Diamond's diverse customer base; and develop strong long-term relationships with its primary customer base through service, responsiveness and reliability.

Fleet Growth and Fleet Mix Optimization. Black Diamond intends to continue to grow its MSS rental fleet. The Corporation expects to accomplish this through a combination of procurement of new manufactured units built to its specifications and by acquisition of existing units and existing fleets.

Geographic Expansion. Black Diamond intends to continue to expand its principal operating business units geographically through the establishment of additional branches and the acquisition of additional fleet assets. This may include locations outside of North America and Australia.

Expanded Products and Services. Black Diamond plans to offer a wider variety of modular structures and ancillary equipment to its customers. The Corporation also plans to offer more turnkey solutions to customers by providing additional site services, hospitality services, ancillary rental options, and associated rental equipment. This may include support units and operated remote lodging facilities. Black Diamond also offers its customers add on products and services, defined as Value Added Products ("**VAPS**"). VAPS are a full suite of products, including stairs, landings, desks, chairs, tables, appliances, lockers, etc.

Sales of New and Used Equipment. Black Diamond markets its fleet of assets to customers primarily on a rental basis. However, occasionally the customer has preference for ownership when they have a longer-term need for the asset. In these circumstances, Black Diamond sells assets out of its fleet in the ordinary course of servicing its customers. This is a profitable business line for the Black Diamond and also helps the Corporation replenish its fleet with newer assets to maintain a relatively newer average age of the fleet.

Develop New Markets. Black Diamond intends to target additional industry sectors for the rental of both accommodation and workspace units and for its growing business-to-business digital crew travel and accommodation marketplace (LodgeLink). There are numerous other industries that utilize the products and services offered by Black Diamond, including construction and infrastructure.

Acquisitions. Black Diamond plans to continue its strategy of targeting acquisitions of businesses where those businesses complement the existing business and are accretive to Shareholders.

Capital Management. Black Diamond manages its capital structure within guidelines approved by the Board of Directors of the Corporation and makes adjustments in light of changes in economic conditions, planned requirements, and the requirements of financial covenants. Black Diamond considers its capital structure to include shareholders' equity, short- and long-term credit facilities, and working capital. Black Diamond has the ability to adjust its capital structure by issuing or repurchasing equity or issuing or repaying debt, selling assets to reduce debt, controlling the amount it returns to shareholders through dividends or share buybacks and making adjustments to its capital expenditure program. The only restriction Black Diamond has on its capital is in respect of certain financial covenants contained in its asset-based revolving credit facility.

Grow LodgeLink. LodgeLink intends to grow by increasing the supply, demand, geography, and liquidity of its marketplace. Over time, LodgeLink intends to continue adding ancillary services and functionality to complement existing services and provide its customers increased efficiencies.

Product Suppliers

Black Diamond relies on manufacturers for the supply of new equipment for its rental fleets. The Corporation maintains strong relationships with key manufacturers and a number of the mid-sized and small-scale suppliers. The Corporation expects to continue to secure sufficient manufacturing space to meet customer demand throughout 2020. See “Risk Factors – Dependence on Suppliers”.

Employees

As at December 31, 2020, Black Diamond had a total of 349 permanent employees of which 59 were hourly paid personnel.

Sales, Distribution and Marketing

Black Diamond markets its rental assets, custom sales and ancillary products and services through in-house sales personnel, its website, social media, web campaigns and its digital marketplace.

Customers

Black Diamond’s customers include general contractors; engineering procurement construction companies; financial institutions; health care providers; education institutions; energy and mineral exploration and production companies; pipeline constructors; food services providers (caterers); construction sub-trades; industrial companies; drilling contractors; military agencies; utilities companies; oilfield services companies; as well as manufacturers. During the year ended December 31, 2020, the Corporation did not have a significant customer who contributed greater than 10% of the Corporation’s consolidated revenue.

From the Corporation’s experience to date, its customers’ preferences for its products and services include the following:

- quality and newness of equipment;
- cleanliness of equipment when it arrives on site;
- availability of equipment;
- variety of layouts and amenities to best suit their project needs;
- relationship with strategic Indigenous partnerships;
- responsiveness to their needs;
- delivery time, distance and cost;
- reputation and relationship with the fleet operator; and
- solutions that enhance logistics planning, ease of booking and productivity of customers’ internal processes.

Pricing of Products and Services

Black Diamond’s products and services are priced in a number of ways. Workforce accommodation and modular workspace solutions are typically priced on longer-term monthly rates while equipment pertaining to liquid or solid containment as well as light towers, mats and generators tend to be priced off of day rates . Contract rates for workforce accommodation, modular space solutions and oilfield rental products are set based on industry factors such as availability of equipment and length of guaranteed minimum term. The Corporation charges higher rates for short-term rentals (three months or less) to reflect the additional costs associated with the turnaround of equipment on such a short term, and to encourage customers to enter into longer-term commitments. The Corporation similarly offers lower rates for long-term contracts.

Competitive Conditions

The industries and businesses in which Black Diamond operates are highly competitive and in order to be successful, Black Diamond must provide services that meet the specific needs of its clients at competitive prices. The principal competitive factors in the markets in which Black Diamond operates are service quality and availability, reliability and effectiveness of equipment used to perform its services, technical knowledge, strategic partnerships and experience and reputation for safety and value. Competitors offer similar services in all geographic regions in which Black Diamond operates. See “Risk Factors – Competition”.

WFS’s success is connected, in part, to the general health of the resource industry in Canada, the United States and Australia. Accordingly, in addition to the various federal, provincial, state and municipal regulations to which the Corporation adheres in its ongoing operations, it is also sensitive to the industry conditions relating to the natural resources sector, including land tenure, exploration, development, production, refining, transportation and marketing imposed by legislation enacted by various levels of government. See “Risk Factors – Volatility of Industry Conditions” and “Risk Factors – Government Regulation”.

Indigenous Relationships

Black Diamond recognizes how important Indigenous business relationships are in all of the markets it operates. Black Diamond recognizes the obligations and requirements laid out in the various land claims in the areas where it conducts its business and, with respect to its businesses, Black Diamond is of the view that Indigenous rights and land claims are to be respected and the Indigenous people are to be given opportunities to participate and benefit from the activity on their traditional lands. As such, one of Black Diamond’s objectives is to maximize where possible the amount of local and Indigenous participation in its operations. Black Diamond employs community relations management professionals who work closely with all of Black Diamond’s Indigenous partnerships and the communities in which they operate. See “Risk Factors – Indigenous Relationships”.

Environmental Considerations

The use of modular structures both for accommodation and general space needs is generally more sustainable than traditional construction processes given the opportunity to reuse and recycle assets throughout their useful life. A typical modular structure lasts 20 to 30 years and will generally be used on multiple different project sites throughout its lifetime. At the end of its useful life, a structure (which is comprised mostly of wood) is sent for disposition which typically results in the asset being mulched and turned into reusable materials.

The Canadian, United States and Australian resource industries are regulated by a number of federal, provincial and state governmental bodies and agencies under a variety of complex federal, provincial and state legislation that sets forth numerous prohibitions and requirements with respect to planning and approval processes related to land use, sustainable resource management, water use, waste management, responsibility for the release of presumed hazardous materials, protection of wildlife and the environment and the health and safety of workers. Legislation provides for restrictions and prohibitions on the transport of dangerous goods and the release or emission of various substances, including substances used and produced in association with certain oil and natural gas and mining industry operations. The legislation addresses various permits, drilling, access road construction, camp construction, well and mine completion, installation of surface equipment, air monitoring, water use, surface and ground water monitoring in connection with these activities, waste management and access to remote or environmentally sensitive areas.

The operations of the Corporation are subject to a variety of federal, provincial, state and local laws, regulations, and guidelines, including various environmental and health and safety statutes and regulations governing health and safety, requirements for its products, the conduct of operations, the protection of the environment, the operation of equipment and the handling and disposal of substances used in its operations, or that may otherwise be present on or in the lands the Corporation owns or occupies. Such legislation also generally imposes potential liability on past and present owners or occupants of property where contamination has occurred without regard to whether such owner or occupant played a role in the original contaminating event. The Corporation believes that it, and each of its subsidiaries, is currently in compliance with such laws and regulations. The Corporation expends financial and managerial resources to ensure such compliance and will continue to do so in the future. Such laws or regulations are subject to change. Accordingly, it is impossible for the Corporation to predict the cost or impact of such laws and regulations on the Corporation’s future operations. See “Risk Factors – Environmental Liability” and “Risk Factors – Government Regulation”.

Social, Health & Safety Considerations

The safety and well-being of the Corporation's employees, partners, customers and vendors is of the highest importance and priority.

We strive to eliminate all workplace incidents, occupational illnesses, and unregulated environmental releases from our operations. Black Diamond will:

- Comply with all applicable health, safety and environmental regulations;
- Go beyond HS&E regulations when it makes good business sense to do so;
- Remain committed to working in a spirit of consultation and cooperation with the workers to provide safe working conditions that ensure the physical health and safety as well as the psychological health and social wellbeing of its employees and contracted workers;
- Monitor arrangements to implement health, safety and environmental performance;
- Pursue continuous improvement of its health, safety and environmental performance; and
- Periodically report on its health, safety and environmental progress

Black Diamond expects all employees, contractors and sub-contractors to meet their responsibilities for protecting themselves and their coworkers. The specific requirements given in the Corporation's HS&E Manual apply globally as a condition of employment for all employees and any contractor doing work for or on behalf of Black Diamond entities, business units and subsidiary organizations where Black Diamond has a controlling interest. It is our goal to maintain safe working conditions for other employers, self-employed persons, visitors and external work parties that may be present at our locations or who may be affected by our work activities, as is reasonably practicable.

We recognize that the responsibilities for health and safety are shared:

- The employer accepts the responsibility for leadership of the health and safety program, for its effectiveness and improvement, and for providing the safeguards required to ensure safe work conditions as is the worker's right
- Supervisors are responsible for developing the proper attitudes toward health and safety in themselves and in those they supervise, and for ensuring that all operations are performed with the utmost regard for the health and safety of all personnel involved
- Employees, contractors and sub-contractors are responsible for wholehearted, genuine cooperation with all aspects of the health and safety program, including compliance with all rules and regulations, and for continually practicing health and safety while performing their duties

Performance results will be evaluated, in part, against these requirements and the findings from periodic management audits and local regulations.

The Corporation's Total Recordable Injury Frequency in 2020 was 0.36, compared to 0.93 and 0.80 in 2018 and 2019 respectively. The Corporation's Loss Time Injury Frequency was zero in 2020, 2019 and 2018.

Black Diamond has four equity-based partnerships with First Nations across western Canada designed to drive economic benefits within the communities in which we operate. The Corporation's Indigenous policy is aligned with the Truth and Reconciliation Commission & UN Declaration on the Rights of Indigenous People. Since inception, Black Diamond's partnerships have disbursed over $32 million in the form of royalties and/or distributions to our First Nations equity partners. Black Diamond also has a commitment to aboriginal procurement through the Canadian Council for Aboriginal Business.

Black Diamond is also committed to fostering diversity in its employee base, including gender diversity.

	2018				2019				2020			
	Female	Male	Female %	Male %	Female	Male	Female %	Male %	Female	Male	Female %	Male %
EVP & VP	1	9	10%	90%	1	12	8%	92%	1	12	8%	92%
Senior Manager	1	11	8%	92%	2	11	15%	85%	4	16	20%	80%
Manager	14	20	41%	59%	16	25	39%	61%	13	34	28%	72%
Non Management	79	106	43%	57%	93	118	44%	56%	124	173	42%	58%
Total	**95**	**146**	**39%**	**61%**	**112**	**166**	**40%**	**60%**	**142**	**235**	**38%**	**62%**

Notes:

1. Data effective December 31.
2. Data includes Permanent-Full Time and Permanent-Part Time employees, Temporary Contractors and Leave of Absence
3. Data excludes all invoicing consultants, and agency workers
4. 2020 Headcount includes Vanguard Acquisition

Total turnover for the 2020 year was 53, of which 36 were involuntary departures and 17 were voluntary departures.

	2018	2019	2020
Voluntary Turnover	53	44	17
Involuntary Turnover	24	24	36
Total Turnover	**77**	**68**	**53**

See "Risk Factors – Safety Performance" and "Risk Factors – Disease Outbreaks" and "Risk Factors – Government Regulation".

COVID-19 Response

Black Diamond has been proactive and prudent in our planning, response and actions related to the novel strain of coronavirus, COVID-19, with safety as our first priority for our workforce, customers, communities and others. Black Diamond's products and services were deemed essential and critical infrastructure/services in Canada, U.S. and Australia.

Black Diamond implemented business continuity plans, various health and safety protocols to ensure the health and safety of its employees and customers to minimize disruption to its business. These plans and protocols include adjusted operating procedures for field staff, increased cleaning and disinfection practices, physical distancing measures, additional personal protective equipment to front line employees, remote work arrangements for office staff and frequent and transparent communication with all employees, contractors and customers. Additionally, Black Diamond has eliminated all non-essential travel and reduced operating costs and capital spend. Due to the variable cost structure of its businesses and ability to react quickly to changing situations, Black Diamond was able to take appropriate measures to minimize the expected impact of COVID-19 on its business.

Black Diamond continues to monitor developments and mitigate any evolving risks related to COVID-19 and will comply with the measures and restrictions being announced by public health and government authorities. To date, the Corporation has experienced lower utilization levels for its wellsite accommodation and open lodges as a result of COVID-19 travel restrictions. See "Risk Factors – COVID 19".

Governance Considerations

Every employee of the Corporation is, upon hire and on an annual basis, required to review and sign off on the Corporation's Code of Business Conduct and Ethics policies. The Code reflects the Corporation's commitment to a culture of honesty integrity and accountability and outlines the basic principles and policies with which all directors, officers and employees are expected to comply.

The Corporation is committed to the highest standards of openness, integrity, and accountability. The integrity of the financial and other information of the Corporation is vital as it guides the decisions of the Board of Directors and is relied upon by our shareholders, financial markets, and other stakeholders. For these reasons, the Corporation cultivates an environment where individuals can confidentially and anonymously report complaints and concerns regarding accounting, internal audit controls or other audit matters, bribery, the health and safety of the general public, employees and contractors, and the protection of the environment, without fear of victimization, discrimination or disadvantage. This Whistleblower Program is established for all employees, management, officers, directors, contractors, and consultants of Black Diamond and encourages and facilitates the reporting of complaints and concerns to the Chairman of the Audit Committee, Mr. Robert Herdman.

The Corporation's Board of Directors is comprised of seven members, five of which are independent. The Corporation's Audit Committee and Compensation, Nominating and Corporate Governance Committee are comprised entirely of independent directors.

Foreign Operations

Black Diamond has a significant portion of its operations in the United States and in Australia. The United States and Australia operations are conducted through indirect subsidiaries of Black Diamond and are consolidated into the Corporation's quarterly and annual financial statements. See "Risk Factors – Foreign Operations" and "Risk Factors – Foreign Currency Exchange Risk".

Intangible Property

The Corporation's customer relationships have value to the Corporation as there are substantial long-term contracts and relationships in place, and the Corporation estimates that a significant amount of future revenue will be derived from the existing customer base. Where the value of identifiable intangible assets has been included in the financial statements of the Corporation, they are amortized on a straight-line basis over their estimated useful lives. These intangible assets include: customer relationships; non-compete agreements; trademarks; and LodgeLink website development costs.

Bankruptcy and Similar Procedures

There have been no bankruptcy, receivership or similar proceedings against the Corporation or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by the Corporation or any of its subsidiaries, within the three most recently completed financial years or proposed during the current financial year.

RISK FACTORS

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Corporation's other public filings before making an investment decision. The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all the risks associated with the Corporation's business. If any of the following risks or other risks occur, the Corporation's business, financial condition, results of operations and cash flows could be adversely impacted in a material way.

Disease Outbreaks

Since December 31, 2019, the outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. In March 2020, COVID 19 was declared a pandemic by the World Health Organization. Government's emergency measures have included travel bans, lockdowns, quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy and long-term success of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Black Diamond in future periods.

The continued outbreak of COVID-19 or another local, regional, national or international outbreak of a contagious disease, including COVID-19, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu, or any other similar illness could result in: a general or acute decline in economic activity in the regions the Corporation and its subsidiaries hold assets, a decrease in the willingness of the general population to travel, staff shortages, reduced tenant traffic, mobility restrictions and other quarantine measures, supply shortages, increased government regulation, and the quarantine of or outbreak in one or more of the Corporation's lodges, facilities or accommodations booked through LodgeLink. Contagion in the Corporation's facilities or any market in which the Corporation operates could negatively impact the Corporation's occupancy rates or its reputation. All of these occurrences may have a material adverse effect on the business, financial condition and results of operations of the Corporation and/or its subsidiaries.

Volatility of Industry Conditions

The demand, pricing and terms for the Corporation's products and services largely depend upon the level of industry activity for general construction, infrastructure development and oil, natural gas and mineral exploration and development. This includes commercial construction companies and real estate developers, infrastructure developers, resource exploration and development companies. Industry conditions are influenced by numerous factors over which the Corporation has no control, including: the demand and need for new construction and infrastructure projects, the level of oil and natural gas and mineral prices; expectations about future oil and natural gas and mineral prices; the cost of exploring for, producing and delivering oil and natural gas and minerals; the expected rates of declining current production; the discovery rates of new oil and natural gas and mineral reserves; available pipeline and other oil and natural gas transportation and infrastructure capacity; demand for and supply of oil and natural gas and minerals; weather conditions; political, military, demand for in-person education; regulatory and economic conditions; and the ability of oil and natural gas and mining companies to raise equity capital or debt financing for exploration and development work.

Operating Risks and Insurance

The operations of the Corporation are subject to hazards inherent in the workforce accommodation, temporary workspace and oilfield rental industries, such as equipment defects, malfunction and failures, and natural disasters which could result in fires, vehicle accidents, damage to facilities, risk to the health of occupants, business interruption and damage to or destruction of property, equipment and the environment. These risks could expose the Corporation to substantial liability for personal injury, wrongful death, property damage, pollution, and other environmental damages. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators.

Although the Corporation has obtained insurance against certain of the risks to which it is exposed, such insurance is subject to coverage limits and no assurance can be given that such insurance will be adequate to cover the Corporation's liabilities. In addition, there can be no assurance that the Corporation will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits maintained by the Corporation, or a claim at a time when it is not able to obtain liability insurance, could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Dependence on Agreements and Contracts

The operations of the Corporation depend on execution and performance under written contracts with its customers that are generally cancellable only for non-performance. The key factors which determine whether a client continues to use the Corporation are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, reputation for safety and competitive price. There can be no assurance that the Corporation's relationship with its customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

The operations of the Corporation also depend on the execution and performance under written contracts with the Corporation's vendors and subcontractors. The failure of the Corporation's vendors and subcontractors to execute and perform under these contracts could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Competition

The workforce accommodation, ancillary equipment rentals and temporary workspace industries in which the Corporation operates are highly competitive. To be successful, the Corporation must provide equipment and services that meet the specific needs of its clients at competitive prices. The principal competitive factors in the markets in which the Corporation operates are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, and reputation for safety and price. The Corporation competes with international and regional competitors, several of which are significantly larger than the Corporation. These competitors offer similar services in all of the geographic regions in which the Corporation operates. As a result of competition, the Corporation may be unable to continue to provide its present services, to provide such services at historical operating margins or to acquire additional business opportunities, which could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Reduced levels of activity in the workforce accommodation, ancillary equipment rentals and temporary workspace industries can intensify competition and result in lower revenue to the Corporation. Variations in the exploration and development budgets of oil and natural gas and mining companies which are directly affected by fluctuations in oil and natural gas and mineral prices, the cyclical nature and competitiveness of the oil and natural gas and mining industries and governmental regulation, could have an effect upon the Corporation's ability to generate revenue and earnings.

Credit Risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers and partners in the form of outstanding accounts. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The carrying amount of accounts receivable reflects management's assessment of the credit risk associated with the Corporation's customers. The Corporation generally grants unsecured credit to its customers. The allowance for doubtful accounts and past due receivables are reviewed by management on an ongoing basis. Accounts receivable are considered for impairment after taking into consideration the customer's payment history, their credit worthiness, the current economic environment in which the customer operates and the customer's establishment within its industry. Failure to accurately estimate the amount of bad debts of the Corporation or failure to collect accounts receivable on a timely basis, in full or in part, could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Information Technology Systems and Cyber Security

The Corporation depends upon the reliability and security of our information technology systems in the normal course of operations. The Corporation depends on various information systems for purposes of financial reporting and accounting, data storage, processing of customer transactions and communications with its employees and third parties. Black Diamond is subject to a variety of information technology and systems risks as part of our regular operations including virus, cyber-attack, security breach and destruction or interruption of its information technology systems. Although the Corporation has controls and security measures in place that are designed to mitigate these risks, a breach of these measures could occur and result in a loss of material and confidential information, breach of privacy laws and a disruption to its business activities. The outcome of such a breach cannot be predicted with certainty and could have a material effect on the operations of the Corporation.

Vulnerability to Market Changes

Fixed costs, including costs associated with operating expenses, leases, labour costs and depreciation account for a significant portion of the Corporation's costs and expenses. As a result, reduced productivity resulting from reduced demand, equipment failure, weather or other factors could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Weakness in Resource Industries

Market events and conditions, including global excess in the supply of oil and natural gas and various base metals, have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant decrease in the valuation of oil and natural gas and mining companies and a decrease in confidence in the oil and natural gas and mining industries. These difficulties have been exacerbated in Canada by the changes in government policies at a federal level and, in the cases of Alberta and British Columbia, the provincial and municipal levels and the resultant uncertainty surrounding regulatory, tax and royalty changes that may be implemented by these governments. In addition, the difficulties being encountered in getting the necessary approvals to build pipelines and other facilities to provide better access to markets for the oil and natural gas industry in western Canada has led to additional uncertainty and reduced confidence in the oil and natural gas industry in western Canada.

Depressed oil and natural gas and mineral prices could result in reduced levels of activity in the oil and natural gas and mining industries which may intensify competition and result in lower revenue to the Corporation. Any prolonged substantial reduction in oil and natural gas and mineral prices will reduce activity levels in these industries and change the economic feasibility of industry development projects, resulting in reduced demand for certain of the Corporation’s products and services which could have a material adverse effect on the Corporation’s business, financial condition, results of operations and cash flows. In addition, commodity price volatility may in the future affect the Corporation’s ability to obtain equity or debt financing on acceptable terms.

Access to Additional Financing

The Corporation may find it necessary in the future to obtain additional debt or equity financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. Uncertain levels of near-term industry activity coupled with global economic volatility exposes the Corporation to the risk that additional financing will not be available to the Corporation when needed, on terms acceptable to the Corporation or at all. The Corporation’s inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Corporation’s growth and could have a material adverse effect on the Corporation’s business, financial condition, results of operations and cash flow.

Where additional financing is raised by the issuance of Common Shares or securities convertible into Common Shares, control of the Corporation may change and Shareholders may suffer dilution to their investment. The Corporation’s activities may also be financed partially or wholly with debt, which may increase the Corporation’s debt levels above industry standards. The level of the Corporation’s indebtedness from time to time could impair the Corporation’s ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Dependence on Suppliers

The Corporation sources its equipment, equipment parts and third-party services from a variety of suppliers, most of whom are located in Canada, the United States and Australia. Should any suppliers be unable to provide the necessary equipment, parts or services or otherwise fail to deliver products in the quantities required, any resulting delays in the provision of products and services or in the time required to find new suppliers could have a material adverse effect on the Corporation’s business, financial condition, results of operations and cash flows.

Reliance on Key Personnel

The Corporation’s success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Corporation’s business, financial condition, results of operations and cash flows. The Corporation does not have any key person insurance in effect for the Corporation. The contributions of the existing management team to the immediate and near-term operations of the Corporation are likely to be of central importance. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation.

Market Price of Common Shares

The trading price of securities of issuers in the businesses of the Corporation is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. Factors unrelated to the Corporation’s performance could include macroeconomic developments nationally, within North America or globally, domestic and global commodity prices or current perceptions of the attractiveness of particular industries. Similarly, the market price of the Common Shares could be subject to significant fluctuations in response to variations in the Corporation’s operating results, financial condition, liquidity and other internal factors. Accordingly, the price at which the Common Shares will trade cannot be accurately predicted.

Safety Performance

Standards for the prevention of incidents in the industries in which the Corporation operates are governed by service company safety policies and procedures, accepted industry safety practices, customer specific safety requirements and health and safety legislation. Many customers consider safety performance a key factor in selecting workforce accommodation, temporary workspace and ancillary equipment and service providers. Deterioration of the Corporation’s safety performance could result in a decline in the demand for the Corporation’s products and services and could have a material adverse effect on the Corporation’s business, financial condition, results of operations and cash flows.

Expansion into New Activities

The operations and expertise of the Corporation’s management are currently focused primarily on logistics management as well as the workforce accommodation, ancillary equipment rentals and temporary workspace industries. In the future, the Corporation may acquire or move into new industry related activities, may acquire different industry related assets, and as a result may face unexpected risks or alternatively, significantly increase the Corporation’s exposure to one or more existing risk factors, which may in turn result in the Corporation’s business, financial condition, results of operations and cash flows being adversely affected.

Government Regulation

The Corporation’s operations are subject to numerous laws as well as building and occupancy codes and regulations, industry regulations and guidelines, many of which are related to health and safety, the conduct of operations, requirements for its equipment, transportation and the environment. Some of the laws, regulations and guidelines that apply to the Corporation’s operations also authorize the recovery of natural resource damages by the government, injunctive relief, and the imposition of stop, control, remediation and abandonment orders. While management believes that its businesses will be operated in accordance with applicable laws, the Corporation will remain subject to a varied and complex body of laws and regulations that both public officials and private individuals may seek to enforce. The costs arising from compliance with such laws, regulations and guidelines may be material to the Corporation.

Any regulatory changes that impose additional operating or environmental restrictions or requirements on the Corporation or its customers could adversely affect the Corporation through increased operating costs and potential decreased demand for the Corporation’s products and services. The trend in environmental regulation has been to impose more restrictions and limitations on activities that may impact the environment, including the generation and disposal of wastes, the use and handling of chemical substances and water use and management. Laws, regulations or treaties concerning climate change, greenhouse gas emissions or other environmental matters may have an adverse impact on the demand for oil and natural gas and minerals, which could have a material adverse effect on the Corporation.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

The Corporation considers acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner and the Corporation’s ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. The integration of acquired businesses may require substantial management effort, time and resources diverting management’s focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non-core assets may be periodically disposed of so the Corporation can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Corporation, if disposed of, may realize less than their carrying value on the financial statements of the Corporation.

Environmental Liability

The Corporation is subject to the operating risks inherent in the industries in which the Corporation operates, including environmental damage. The Corporation has established programs to address compliance with current environmental standards and monitors its practices concerning the handling of environmentally hazardous materials. However, there can be no assurance that the Corporation’s procedures will prevent environmental damage from occurring from spills of materials handled by the

Corporation or that such damage has not already occurred. On occasion, substantial liabilities to third parties may be incurred. The Corporation may have the benefit of insurance maintained by it or a contractor; however, the Corporation may become liable for damages against which it cannot adequately insure or against which it may elect not to insure because of high costs or other reasons.

Environmental Regulation of the Corporation's Customers

Federal and regional governments where the Corporation does business have been working through or have proposed various forms of regulation and legislation focused on climate change and greenhouse gas emissions. Future federal legislation, together with regional emission reduction requirements may require the reduction of emissions or emissions intensity from the Corporation's customers' operations and facilities. A number of the Corporation's customers are involved in the oil and natural gas exploration and development industry, with specific focus on oil sands related projects. Focus and scrutiny has recently intensified on oil sands development, which could lead to incremental environmental regulation or legislation.

Potential changes in requirements may result in increased operating costs and capital expenditures for oil and natural gas and mining industry participants, thereby delaying or decreasing the demand for the Corporation's products and services.

Management of the Corporation is unable to predict the impact of potential emissions targets and it is possible that changes could adversely affect the Corporation's business, financial condition, results of operations and cash flows.

Climate Change

There is growing concern from members of the scientific community and the general public that an increase in global average temperatures due to emissions of greenhouse gases and other human activities have or will cause significant changes in weather patterns and increase the frequency and severity of climate stress events. Climate change, including the impact of global warming, may create physical and financial risk. Physical risks from climate change may include an increase in sea level and changes in weather conditions, such as an increase in intense precipitation and extreme heat events, as well as tropical and non-tropical storms.

The Corporation operates in locations that may be susceptible to climate stress events or adverse localized effects of climate change, such as sea-level rise and increased storm frequency or intensity. The occurrence of one or more natural disasters, such as hurricanes, fires, floods, and earthquakes (whether or not caused by climate change), could cause considerable damage to its equipment, buildings and facilities, disrupt operations and negatively impact the Corporation's financial performance. To the extent these events result in significant damage to any of the Corporation's equipment or buildings, its operations and financial performance could be adversely affected. In addition, these events could result in significant expenses to restore or remediate equipment, buildings or facilities, increases in fuel (or other energy) prices or a fuel shortage, increases in the costs of insurance if they result in significant loss of property or other insurable damage, and the introduction of or increases in climate change taxes such as provincial or federal carbon taxes or cap and trade taxes.

Indigenous Relationships

A component of Black Diamond's business strategy is based on developing and maintaining positive relationships with the Indigenous people and communities in the areas where Black Diamond operates. These relationships are important to Black Diamond's operations and customers who desire to work on traditional Indigenous lands. The inability to develop and maintain relationships and to be in compliance with local requirements could adversely affect Black Diamond's business, financial condition, results of operations and cash flows.

Dilution

The Corporation may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Corporation which may be dilutive.

Workforce Availability

The Corporation's ability to provide reliable and quality services is dependent on its ability to hire and retain a dedicated and quality pool of employees. The competition for qualified personnel in the industries in which the Corporation operates is intense and there can be no assurance that the Corporation will be able to continue to attract and retain all personnel necessary for the development and operation of its business. In periods of higher activity, it may become more difficult to find and retain qualified employees which could limit growth, increase operating costs or have other material adverse effects on the Corporation's operations.

Variations in Foreign Exchange Rates and Interest Rates

The Corporation is exposed to foreign currency fluctuations as certain revenues, expenses and working capital derived from its foreign operations are denominated in United States dollars and Australian dollars. As such, the Corporation's United States and Australian subsidiaries are subject to translation gains and losses on consolidation. Realized foreign exchange gains and losses are included in net earnings while unrealized foreign exchange gains and losses arising on the translation of the assets, liabilities, revenues and expenses of the Corporation's foreign operations are included in other comprehensive income.

An increase in interest rates could result in a significant increase in the amount the Corporation pays to service debt, resulting in a reduced amount available to fund its business activities, which could negatively impact the market price of the Common Shares of the Corporation.

To the extent that the Corporation engages in risk management activities related to foreign exchange rates and interest rates, there is a credit risk associated with counterparties with which the Corporation may contract.

Foreign Operations

Some of the Corporation's current operations and related assets are in the United States and Australia. In addition, the Corporation's growth plans may contemplate establishing operations in additional foreign countries, including countries where the political and economic systems may be less stable than those in Canada, the United States and Australia. Risks of foreign operations include, but are not necessarily limited to, changes of laws affecting foreign ownership, government participation, taxation, royalties, duties, rates of exchange, inflation, repatriation of earnings, social unrest, acts of terrorism and uncertain political and economic conditions resulting in unfavourable government actions such as unfavourable legislation or regulation. While the impact of these factors cannot be accurately predicted, if any of the risks materialize, they could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Dependence on Operating Permits

In most cases, permits issued by government agencies are required to set up and operate remote workforce accommodations. The issuance of permits is dependent upon water and waste treatment alternatives available, road traffic volumes and fire conditions in forested areas. Failure of the Corporation or the Corporation's customers to receive or renew permits could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Maturity of Credit Facility

The Corporation currently has the Credit Facility available, which will mature on October 31, 2023. There can be no assurance that the Corporation will be able to renegotiate or renew its Credit Facility in the amount it requires or on terms acceptable to it. Any failure of the Corporation to repay or refinance all or any portion of the Credit Facility on its maturity date on acceptable terms could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flow. There is no assurance that the Corporation will be able to refinance the Credit Facility on its maturity date on acceptable terms, or on any basis.

Management of Growth

The Corporation may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth may have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Litigation

In the normal course of the Corporation's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Corporation and as a result, could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Potential Replacement or Reduced Use of Products and Services

Certain of the Corporation's equipment or systems may become obsolete or experience a decrease in demand through the introduction of competing products that are lower in cost, exhibit enhanced performance characteristics or are determined by the market to be preferable for environmental or other reasons. The Corporation expends substantial effort to keep current with the changing market for workforce accommodation, ancillary equipment rental and temporary workspace solutions which it provides and technological and regulatory changes. If the Corporation is unable to keep current it could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Income Taxes

Income tax provisions, including current and future income tax assets and liabilities in the Corporation's consolidated financial statements, and income tax filing positions require estimates and interpretations of federal, provincial, state and other taxing authorities' income tax rules and regulations, and judgments as to their interpretation and application of the Corporation's specific situation. In addition, there can be no assurance that the federal, provincial, state or other tax agencies will agree with the Corporation's tax filing positions or will not change their administrative practices to the detriment of the Corporation or its shareholders and creditors. While the Corporation believes that its tax filing positions are supportable under applicable law, a number of the Corporation's tax filing positions may be the subject of review by taxation authorities. Therefore, it is possible that additional taxes could be payable by the Corporation and the ultimate value of the Corporation's tax assets and liabilities could change in the future and that such additional taxes and changes to such accounts could be materially adverse to the Corporation.

Conflicts of Interest

The directors and officers of the Corporation may also be directors or officers of other companies which operate in the same industries as that of the Corporation and situations may arise where they are in a conflict of interest with the Corporation. Conflicts of interest, if any, will be subject to and governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA. See "Directors and Executive Officers – Conflicts of Interest".

Restrictive Covenants and Leverage

The Credit Facility contains certain covenants that limit the discretion of management of the Corporation with respect to certain business matters. These covenants place restrictions on, among other things, the ability of the Corporation to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the Credit Facility contains a financial covenant that requires the Corporation to meet certain financial ratios under certain circumstances. A failure to comply with the obligations in the Credit Facility could result in a default which, if not cured or waived, would permit acceleration of the relevant indebtedness. If the indebtedness under the Credit Facility was to be accelerated, there can be no assurance that the assets of the Corporation would be sufficient to repay in full that indebtedness.

The ability of the Corporation to make other payments or advances is subject to applicable laws and contractual restrictions in the instruments governing any indebtedness of the Corporation (including the Credit Facility). The degree to which the Corporation is leveraged could have important consequences for Shareholders including: (i) the Corporation's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; (ii) all or part of the Corporation's cash flow from operations may be dedicated to the payment of the principal of and interest on the Corporation's indebtedness, thereby reducing funds available for future operations; (iii) the Corporation's borrowings are at variable rates of interest, which exposes the Corporation to the risk of increased interest rates; and (iv) the Corporation may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures. These factors could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for oil, natural gas and other liquid hydrocarbons which in turn will reduce the demand for that portion of the Corporation's products and services which are dependent upon oil and natural gas industry activity. The Corporation cannot predict the impact of changing demand for oil and natural gas products, and any major changes could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Forward-Looking Information May Prove Inaccurate

Shareholders and prospective investors are cautioned not to place undue reliance on the Corporation's forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found under the heading "Cautionary Statement Regarding Forward-Looking Statements" of this Annual Information Form.

DESCRIPTION OF CAPITAL STRUCTURE

Share Capital Structure

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, each having the rights, privileges, restrictions and conditions described below.

Common Shares

Holders of Common Shares are entitled to notice of, to attend and to one (1) vote per share held at any meeting of Shareholders (other than meetings of a class or series of shares of the Corporation other than the Common Shares as such). Holders of Common Shares are entitled to receive dividends as and when declared by the Board of Directors on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends. Holders of Common Shares are entitled in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital, in such assets of the Corporation as are available for distribution.

Preferred Shares

Subject to the filing of Articles of Amendment in accordance with the ABCA, the Board of Directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board of Directors. Subject to the filing of Articles of Amendment in accordance with the ABCA, the Board of Directors may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a distribution, the extent, if any, of further participation on a distribution, voting rights, if any, and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any. Holders of each series of Preferred Shares are entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares from time to time with respect to the payment of dividends, to be paid rateably with holders of each other series of Preferred Shares, the amount of accumulated dividends, if any, specified as being payable preferentially to the holders of such series. In the event of a distribution, holders of each series of Preferred Shares are entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares from time to time with respect to payment on a distribution, to be paid rateably with holders of each series of Preferred Shares the amount, if any, specified as being payable preferentially to the holders of such series on a distribution.

Shareholder Protection Rights Plan

Effective March 4, 2015 (the "**Effective Date**"), the Corporation adopted the Original Rights Plan which Shareholders approved at the annual and special meeting of Shareholders held on May 7, 2015. On March 6, 2018, the Board of Directors approved the adoption of the Amended Rights Plan, which Shareholders approved at the annual and special meeting of Shareholders held on May 14, 2018. On March 4, 2021, the Board of Directors approved the continuation of the Amended Rights Plan, subject to Shareholders' approval at the Corporation's annual and special meeting of Shareholders to be held on April 27, 2021 (the "**2021 Shareholders' Meeting**"). The Amended Rights Plan will expire after the 2021 Shareholders' Meeting, unless the Amended Rights Plan is approved to continue at such meeting.

The objectives of the Amended Rights Plan are to attempt to prevent "creeping take-over bids" and the acquisition of control by a third party without paying an appropriate control premium or without a fair sharing of any control premium among all Shareholders. The Amended Rights Plan encourages a potential acquirer who makes a take-over bid to proceed either by way of a "Permitted Bid" (as defined in the Amended Rights Plan), which generally requires a take-over bid to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the Board of Directors. If a take-over bid fails to meet these minimum standards, the Amended Rights Plan provides that holders of Common Shares, other than the acquirer, will be able to purchase additional Common Shares at a significant discount to market, thus exposing the acquirer to substantial dilution of its holdings. The Amended Rights Plan is not intended as a means to prevent a take-over of Black Diamond, to secure the continuance of the Corporation's management or directors in their respective offices or to deter fair offers.

Pursuant to the Amended Rights Plan, one right ("**Right**") was issued and attached to each outstanding Common Share and one Right is also issued and attached to each Common Share issued after the Effective Date. If a person, or a group acting jointly or in concert, acquires (other than pursuant to an exemption available under the Amended Rights Plan including by way of a Permitted Bid (as defined in the Amended Rights Plan)) beneficial ownership of 20% or more of the outstanding voting shares of Black Diamond, Rights (other than those held by such acquiring person) will permit the holder to purchase that number of Common Shares having an aggregate market price (determined in accordance with the Amended Rights Plan) equal to two times the exercise price of the Rights for an amount in cash equal to the exercise price. The exercise price of the Rights is $100.00 per Right.

A copy of the Amended Rights Plan is available on the Corporation's SEDAR profile located at www.sedar.com.

Long Term Debt Structure

Secured Asset-Based Revolving Credit Facility

On November 30, 2020, Black Diamond reached an agreement with its lenders to expand its Credit Facility by way of an amended and restated credit agreement to a maximum $300.0 million revolving line. The Credit Facility will mature on October 31, 2023. The borrowing base, or available amount at any given time under the Credit Facility, is based on 85 – 90% of the Net Orderly Liquidation Value of eligible rental fleet and qualified receivables, up to $300.0 million. Under the Credit Facility, Black Diamond will be required to maintain a Fixed Charge Coverage Ratio of 1.1 to 1; however, this covenant is only tested in certain circumstances, such as when draws under the Credit Facility exceed 90% of the borrowing base. The Credit 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.

A copy of the Credit Facility is available on the Corporation's SEDAR profile located at www.sedar.com.

DIVIDENDS

On August 3, 2017, the Board of Directors suspended the Corporation's monthly dividend to reinvest cash in the business through further debt repayment, organic growth of fleet assets, and potential business acquisitions and for potential share repurchases. The Corporation is under no obligation to declare or pay dividends on the Common Shares. Payment of any future dividends will be at the discretion of the Board of Directors, after taking into account a number of factors, including fluctuations in the Corporation's earnings, capital expenditure requirements, debt service requirements, operating costs, foreign exchange rates and the satisfaction of the liquidity and solvency tests imposed by the Corporation's lenders and applicable corporate law for the declaration and payment of dividends.

Pursuant to the Credit Facility, the Corporation is restricted from paying dividends to its Shareholders if: (a) a default or event of default under the Credit Facility has occurred or would result from the making of such dividends; (b) less than 15% of maximum amount available under the Credit Facility is available for draw at the time of making such dividend; or (c) the Corporation has a fixed charge coverage ratio greater than 1.1 to 1.

The Corporation has not approved or paid any dividends in the three most recently completed financing years.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the symbol "BDI". The following table sets forth the high and low sales prices (which are not necessarily the closing prices) and the trading volumes for the Common Shares on the TSX as reported by the TSX for each month of Black Diamond's most recently completed financial year.

	Price Range ($)		Trading
Period	**High**	**Low**	**Volume**
2020			
January	2.20	1.85	734,756
February	1.98	1.60	767,645
March	1.83	0.95	1,642,059
April	1.35	0.90	534,540
May	1.75	1.17	375,988
June	1.55	1.20	808,743
July	1.75	1.56	446,436
August	1.96	1.41	340,614
September	1.63	1.36	647,160
October	1.98	1.61	617,061
November	1.83	1.60	733,198
December	2.75	1.80	1,389,636

Prior Issuance of Outstanding Unlisted Securities

During the year ended December 31, 2020, the only securities that Black Diamond issued, which class of securities are outstanding but are not listed or quoted on a marketplace were options to purchase: 783,000 Common Shares at an exercise price of $1.29 per Common Share, 36,000 Common Shares at an exercise price of $1.40 per Common Share and 54,000 Common Shares at an exercise price of $1.98 per Common Share, granted on March 16, 2020, June 1, 2020 and December 9, 2020, respectively, and 327,000 restricted awards and 174,000 performance awards under the Corporation's restricted and performance award incentive plan, each at a deemed price of $1.29 per award granted on March 16, 2020 and 18,000 restricted awards granted on June 1, 2020 at a deemed price of $1.40 per award.

In addition, in connection with the Vanguard Acquisition our indirectly wholly-owned subsidiary BOXX Modular Holdings Inc. issued 867 preferred shares on November 30, 2020 at a purchase price of US$10,000 per preferred share.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Except as set forth below, to the Corporation's knowledge, none of the securities of the Corporation are held in escrow or are subject to a contractual restriction on transfer as at the date hereof.

Designation of class	Number of securities held in escrow or subject to a contractual restriction on transfer	Percentage of class
Common Shares	2,230,728 (1)	4%

Note:

(1) Shares are held by BD-Vanguard Investment, LLC and are subject to a 6-month contractual restriction on transfer, ending May 1, 2021.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table sets forth certain information in respect of the Corporation's directors and executive officers as of December 31, 2020:

Name, Province/State and Country of Residence	Position(s) with the Corporation (1)	Principal Occupation During the Five Preceding Years
Trevor Haynes Alberta, Canada	Chairman, President and Chief Executive Officer and a Director	President and Chief Executive Officer of the Corporation.
Toby LaBrie Alberta, Canada	Executive Vice President and Chief Financial Officer	Executive Vice President and Chief Financial Officer of the Corporation since March 3, 2016; from October 21, 2015 until March 3, 2016, Senior Vice President, Finance of the Corporation; from October 21, 2014 until October 21, 2015, Vice President, Finance, Structures Business Unit of the Corporation; from January 1, 2012 until October 21, 2014, Vice President, Finance and Controller of the Corporation; and prior thereto, Controller of the Corporation.
Edward (Ted) J. Redmond	Executive Vice President and Chief Operating Officer, Modular Space Solutions	Executive Vice President and Chief Operating Officer, MSS of the Corporation since October 1, 2019. President and Chief Executive Officer of ZCL Composites Inc. from September 2018 to April 2019; prior thereto, President and Chief Executive Officer of NCSG Crane & Heavy Haul Corp. from August 2010 to September 2018.

Name, Province/State and Country of Residence	Position(s) with the Corporation [1]	Principal Occupation During the Five Preceding Years
Mike Ridley Alberta, Canada	Executive Vice President and Chief Operating Officer, Workforce Solutions	Executive Vice President, and Chief Operating Officer, WFS of the Corporation since September 2017; President of Civeo, from May 2015 until September 2016; President of Britco Structures, from 1997 until May 2015.
Patrick Melanson Alberta, Canada	Executive Vice President, Shared Services and Chief Information Officer	Executive Vice President, Shared Services and CIO since July 20, 2017; Vice President and Chief Information Officer of the Corporation since January 25, 2016; from February 3, 2014 until January 25, 2016, Vice President, Information Technology of the Corporation; from October 4, 2013 to January 31, 2014, Principle of IN-TECA, an information technology management consulting company.
Robert J. Herdman [2] Alberta, Canada	Director	Independent businessman since July 1, 2010 and prior thereto, Partner of PricewaterhouseCoopers LLP (accounting firm).
Edward H. Kernaghan [2] Ontario, Canada	Director	Executive Vice President, Kernaghan & Partners Ltd. since January 2015.
Barbara J. Kelley [3] Colorado, United States	Director	Independent businesswoman since May 2015 and prior thereto, Executive Director of the Colorado Department of Regulatory Agencies.
David Olsson [3] Victoria, Australia	Director	Senior China Practice Consultant to King & Wood Mallesons, a law firm, since July 2013; and prior thereto, Senior Partner of King & Wood Mallesons.
Steven Stein Alberta, Canada	Director	Independent businessman since September 2019; Director since March 2019 and Consultant for Terra Water Systems Inc. since September 2019; Director of Operations, Purdy & Partners Inc. a private equity fund, from November 2018 to September 2019; President, Logistics of the Corporation from October 22, 2014 to December 31, 2016.
Robert Wagemakers [2][3] Alberta, Canada	Lead Director	Independent businessman since July 31, 2012.

Notes:

(1) All of the directors of the Corporation have been appointed to hold office until the next annual general meeting of Shareholders or until their successor is duly elected or appointed, unless their office is earlier vacated. Messrs. Haynes and Stein have been directors of the Corporation since October 7, 2009, Mr. Wagemakers has been a director of the Corporation since November 11, 2009, Mr. Herdman has been a director of the Corporation since March 7, 2012, Mr. Olsson has been a director of the Corporation since January 1, 2014, Ms. Kelley has been a director of the Corporation since May 3, 2016 and Mr. Kernaghan has been a director of the Corporation since March 8, 2018. Prior to the Conversion, Mr. Wagemakers was a director of BDI, the former administrator of the Fund, since June 2006. Messrs. Haynes and Stein have been directors of BDI since June 2006.

(2) Member of the Audit Committee.

(3) Member of the Compensation, Nominating and Corporate Governance Committee.

(4) The Corporation does not have an executive committee.

As at the date of this Annual Information Form, the executive officers and directors of the Corporation, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 14,606,145 Common Shares, being approximately 25% of the outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Bankruptcies

To the knowledge of Black Diamond, except as described below, no director or executive officer of Black Diamond (nor any personal holding company of any of such persons) or shareholder holding a sufficient number of securities of Black Diamond to affect materially the control of Black Diamond: (a) is, as of the date of this Annual Information Form, or has been within the ten years before the date of this Annual Information Form, a director or executive officer of any company (including Black Diamond) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Herdman, a director of Black Diamond, served as a director of SemBioSys Genetics Inc. ("**SemBioSys**"), a development stage biotechnology company, until May 1, 2012. On June 22, 2012, a secured creditor of SemBioSys was granted an order under the *Bankruptcy and Insolvency Act* (Canada) appointing a receiver to take possession of and deal with specific assets of SemBioSys which had been pledged to that creditor.

Mr. Haynes, the Chairman, President and Chief Executive Officer, served as a director of Northern Frontier Services Corp. ("**Northern Frontier**"), an industrial and environmental services company, until July 12, 2016. Mr. Redmond served as a director of Northern Frontier until May 2016. On July 14, 2016, a secured creditor of Northern Frontier Services Corp. was granted an order under the *Bankruptcy and Insolvency Act* (Canada) appointing a receiver to take possession of all of Northern Frontier Services Corp.'s current and future assets.

Cease Trade Orders

To the knowledge of Black Diamond, except as described below, no director or executive officer of Black Diamond (nor any personal holding company of any of such persons) is, as of the date of this Annual Information Form, or was within ten years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including Black Diamond), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Herdman, a director of Black Diamond, served as a director of SemBioSys until May 1, 2012. On May 25, 2012, the Alberta Securities Commission issued a cease trade order against SemBioSys for failure to file the required certification of interim filings for the interim period ended March 31, 2012. The securities commission of each of British Columbia, Manitoba, Ontario and Quebec issued similar orders in respect of the failure to file the certification of interim filings.

Mr. Haynes, the Chairman, President and Chief Executive Officer, served as a director of Northern Frontier Services Corp. until July 12, 2016. Mr. Redmond served as Director of Northern Frontier until May 2016. On September 6, 2016, the Alberta Securities Commission issued a cease trade order against Northern Frontier Services Corp. for failure to file the required periodic disclosure and certification of interim filings for the interim period ended June 30, 2016.

Penalties or Sanctions

To the knowledge of Black Diamond, no director or executive officer of Black Diamond (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of Black Diamond to affect materially the control of Black Diamond, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of Black Diamond. In particular, certain of the directors and officers of the Corporation are involved in managerial or director positions with other companies whose operations may, from time to time, be in direct competition with those of Black Diamond or with entities who may, from time to time, provide financing to, or make equity investments in, competitors of Black Diamond or supply services to the Corporation. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. See “Risk Factors – Conflicts of Interest”. The ABCA requires a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Corporation is not a party to any legal proceeding nor was it a party to, nor is or was any of its property the subject of any legal proceeding, during the financial year ended December 31, 2020, nor is the Corporation aware of any such contemplated legal proceedings, which involve a claim for damages, exclusive of interest and costs, that may exceed 10% of the current assets of the Corporation.

Regulatory Actions

During the financial year ended December 31, 2020, there were no (i) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority; (ii) any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision, or (iii) settlement agreements the Corporation entered into before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of any director or executive officer of the Corporation, any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Corporation’s outstanding voting securities, or any associate or affiliate of any of the foregoing persons or companies, in any transaction within the three most recently completed financial years or during the current financial year which has materially affected or is reasonably expected to materially affect the Corporation, other than as disclosed elsewhere in this Annual Information Form.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Common Shares is Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta and Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business (unless otherwise required by applicable securities requirements to be disclosed), there were no material contracts entered into by the Corporation or its subsidiaries during the most recently completed financial year, or before the most recently completed financial year that are still in effect other than the Amended Rights Plan referred to under the description "Description of Capital Structure – Shareholder Protection Rights Plan" and the Credit Facility referred to under the description "Description of Capital Structure – Long Term Debt Structure – Secured Asset-Based Revolving Credit Facility".

INTERESTS OF EXPERTS

Name of Expert

The only person or company who is named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Corporation during, or relating to, the Corporation's most recently completed financial year, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company, is Ernst & Young LLP, Chartered Professional Accountants, the Corporation's independent auditors.

Interests of Expert

Neither Ernst & Young LLP, Chartered Professional Accountants, nor any partner or employee of Ernst & Young LLP, Chartered Professional Accountants, is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

Ernst & Young LLP, Chartered Professional Accountants, is independent of the Corporation in accordance with the Chartered Professional Accountants of Alberta Rules of Professional Conduct.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate and Terms of Reference

The Mandate and Terms of Reference of the Audit Committee of the Board of Directors is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee of the Corporation is comprised of Robert J. Herdman (Chair), Edward H. Kernaghan and Robert Wagemakers as of December 31, 2020.

The following table sets out an assessment of each Audit Committee member's independence, financial literacy and relevant educational background and experience supporting such financial literacy.

Name and Municipality of Residence	Independent	Financially Literate	Relevant Education and Experience
Robert J. Herdman (Chair) Calgary, Alberta	Yes	Yes	Mr. Herdman's education and experience relevant to the performance of his responsibilities as an Audit Committee member are derived from his in excess of 20 years' experience as a senior audit partner with PricewaterhouseCoopers LLP (a public accounting firm) during which time Mr. Herdman had extensive dealings with audit committees and boards of large public companies, extensive exposure to the regulatory and compliance environment in Canada and the United States. Since retirement, Mr. Herdman has acted as chair of the audit committee for numerous public companies. Mr. Herdman holds the CPA, CA and FCPA

Name and Municipality of Residence	Independent	Financially Literate	Relevant Education and Experience
			designations. Mr. Herdman received a Bachelor of Education degree from the University of Calgary.
Edward H. Kernaghan Toronto, Ontario	Yes	Yes	Mr. Kernaghan's experience relevant to the performance of his responsibilities as an Audit Committee member are derived from his experience as the Executive Vice President of Kernaghan & Partners Ltd. Mr. Kernaghan is also the President of Principia Research Inc. (a research and investment holding company) and President of Kernwood Limited (a family holding company). Mr. Kernaghan has been a director of the following public entities: Boralex Inc. since 2006, Waterloo Brewing Ltd. since 2004, Exco Technologies Limited since 2009 and Obsidian Energy Ltd. since January 2018. Mr. Kernaghan previously served as a director on the following public company boards: PFB Corporation, Wellco Energy Services Inc., Collicutt Energy Services Ltd. and Peak Energy Services Limited. Mr. Kernaghan is a graduate of the University of Toronto with a Master of Sciences. Mr. Kernaghan's financial background and his role in other corporations has provided him with a level of experience necessary to effectively read and understand the breadth and complexity of accounting issues that can reasonably be expected to be raised by the Corporation's financial statements.
Robert Wagemakers Calgary, Alberta	Yes	Yes	Mr. Wagemakers' experience relevant to the performance of his responsibilities as an Audit Committee member are derived from his experience in the oil and natural gas sector in excess of 40 years, during which time, Mr. Wagemakers has developed practical experience for financial reporting through his interaction with Chief Financial Officers over the years including during his tenure as Special Consultant for Nabors Drilling, a division of Nabors Canada from July 31, 2011 to July 30, 2012 and prior thereto, as Vice President, Marketing for Nabors Drilling from 2001 until July 2011. In 2013, Mr. Wagemakers graduated from the Directors Education Program of the Institute of Corporate Directors.

Pre-Approval of Policies and Procedures

Under the Mandate and Terms of Reference of the Audit Committee, the Audit Committee is required to review and pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member report to the Audit Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Audit Committee from time to time.

The Audit Committee has determined that in order to ensure the continued independence of the auditors, only limited non-audit related services will be provided to the Corporation by Ernst & Young LLP, Chartered Professional Accountants, and in such case, only with the prior approval of the Audit Committee.

Audit Service Fees

The Audit Committee has reviewed the nature and amount of non-audit services provided by Ernst & Young LLP, Chartered Professional Accountants, to the Corporation to ensure auditor independence. The following table provides information about the fees billed to Black Diamond and its subsidiaries for professional services rendered by Ernst & Young LLP, Chartered Professional Accountants, Black Diamond's external auditor, in each of the last two fiscal years**.**

	Aggregate Fees Billed	
Nature of Services	**Year Ended December 31, 2020**	**Year Ended December 31, 2019**
Audit Fees (1)	$355,400	$350,657
Audit-Related Fees (2)	$26,000	$44,000
Tax Fees (3)	$70,310	$3,813
All Other Fees (4)	$1,775	$1,690
Total	$453,485	$400,160

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

ADDITIONAL INFORMATION

Additional information relating to Black Diamond may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Black Diamond's securities and securities authorized for issuance under equity compensation plans will be contained in Black Diamond's information circular – proxy statement relating to the 2021 Shareholders' Meeting.

Additional information is also provided in Black Diamond's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2020, which documents may be found on the Corporation's SEDAR profile located at www.sedar.com.

SCHEDULE "A"

AUDIT COMMITTEE

MANDATE AND TERMS OF REFERENCE

Role and Objective

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Black Diamond Group Limited ("**Black Diamond**" or the "**Corporation**") to which the Board has delegated its responsibility for the oversight of the following:

1. nature and scope of the annual audit;
2. the oversight of management's reporting on internal accounting standards and practices;
3. the review of financial information, accounting systems and procedures; and
4. financial reporting and financial statements,

and has charged the Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee are as follows:

1. to assist directors of Black Diamond in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of Black Diamond and related matters;
2. to facilitate communication between directors and the external auditors;
3. to consider the external auditor's independence;
4. to consider the credibility and objectivity of financial reports; and
5. to preserve the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and the external auditors.

Membership of Committee

1. The Committee will be comprised of at least three (3) directors of Black Diamond or such greater number as the Board may determine from time to time and all members of the Committee shall be "independent" (as such term is used in National Instrument 52-110 – Audit Committees ("**NI 52-110**")) unless the Board determines that the exemption contained in NI 52-110 is available and determines to rely thereon.
2. The Board may from time to time designate one of the members of the Committee to be the Chair of the Committee.
3. All of the members of the Committee must be "financially literate" (as defined in NI 52-110) unless the Board determines that an exemption under NI 52-110 from such requirement in respect of any particular member is available and determines to rely thereon in accordance with the provisions of NI 52-110.

Mandate and Responsibilities of Committee

It is the responsibility of the Committee to:

1. Oversee the work of the external auditors, including the resolution of any disagreements between management and the external auditors regarding financial reporting.

2. Satisfy itself on behalf of the Board with respect to Black Diamond's internal control systems.

3. Review the annual and interim financial statements of Black Diamond and related management's discussion and analysis ("**MD&A**") prior to their submission to the Board for approval. The process should include but not be limited to:

   - reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
   - reviewing significant accruals, reserves or other estimates such as the goodwill impairment evaluation;
   - reviewing accounting treatment of unusual or non-recurring transactions;
   - ascertaining compliance with covenants under loan agreements;
   - reviewing disclosure requirements for commitments and contingencies;
   - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
   - reviewing unresolved differences between management and the external auditors;
   - monitoring the effectiveness of the financial reporting environment; and
   - obtaining explanations of significant variances with comparative reporting periods.

4. Review the financial statements, prospectuses and other offering documents, MD&A, annual information forms ("**AIF**") and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of Black Diamond's disclosure of all other financial information and will periodically assess the accuracy of those procedures.

5. Review and approve the disclosure of audit committee information required to be included in the AIF of the Corporation prior to its filing with regulatory authorities.

6. With respect to the appointment of the external auditors by the Board:

   - recommend to the Board the external auditors to be nominated;
   - recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors will report directly to the Committee;
   - on an annual basis, assess the reasonableness of the audit fee;
   - on an annual basis, conduct an assessment of the external auditor's performance;
   - on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors' independence;
   - when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and

- review and pre-approve any non-audit services to be provided to Black Diamond or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time.

7. Review with the external auditors (and internal auditor if one is appointed by Black Diamond) their assessment of the internal controls of Black Diamond, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee will also review annually with the external auditors their plan for their audit and consider the impact of business risks of the Corporation on the audit plan. The Committee will monitor the execution of the audit plan, with emphasis on the more complex and risky areas of the audit. Upon completion of the audit, the Committee will review annually with the external auditors their report upon the consolidated financial statements of Black Diamond and its subsidiaries and the Committee will evaluate the audit findings contained in the audit report.

8. Review with the external auditors on an annual basis the Canadian Public Accountability Board's ("**CPAB**") public inspection results report and, in a year when the Corporation's file is inspected by CPAB, the Committee will also review with the external auditors the inspection findings contained in such report.

9. Review risk management policies and procedures of Black Diamond (i.e. hedging, litigation and insurance) and consider the impact of business risks on the audit plan.

10. Establish a procedure for:

    - the receipt, retention and treatment of complaints received by Black Diamond regarding accounting, internal accounting controls or auditing matters; and

    - the confidential, anonymous submission by employees of Black Diamond of concerns regarding questionable accounting or auditing matters.

11. Review and approve Black Diamond's hiring policies regarding partners and employees and former partners and employees of the present and former external auditors of Black Diamond.

12. Complete a comprehensive review of the external audit firm on a periodic basis, once every five years at minimum, which comprehensive review will generally include an evaluation of the following:

    - trends in the audit firm's performance, industry expertise and professional skepticism;

    - the quality control environment of the audit firm, including safeguards against independent threats;

    - the quality of thought, leadership and transparency of communications on any controversial matters;

    - the results of annual assessments, how the firm has responded to those assessments and how the firm handled any partner rotations during the period; and

    - the quality of the engagement team.

The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of the Corporation. The external auditors shall be required to report directly to the Committee. The Committee will also have the authority to investigate any financial activity of Black Diamond. All employees of Black Diamond are to cooperate as requested by the Committee.

The Committee may also retain persons having special expertise and/or obtain independent professional advice to assist in filling their responsibilities at such compensation as established by the Committee and at the expense of Black Diamond without any further approval of the Board.

Meetings and Administrative Matters

1. At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting will be entitled to a second or casting vote.

2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.

3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.

4. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee will be taken. The Chief Financial Officer will attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chairman.

5. The Committee will meet with the external auditor at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditor and the Committee consider appropriate.

6. Agendas will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.

7. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.

8. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.

9. The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.

10. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as two members remain on the Committee. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.

11. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Lead Director of the Board by the Committee Chair.