UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2018 and 2017

BLACK DIAMOND GROUP

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at March 31, 2018 and December 31, 2017

(Expressed in thousands)	2018 $	2017 $
ASSETS		
Current		
Cash and cash equivalents	**4,102**	2,497
Accounts receivable (note 3)	**27,513**	28,929
Prepaid expenses and other current assets	**2,870**	10,320
Total Current Assets	**34,485**	41,746
Non-Current		
Other long-term assets	**1,387**	1,697
Property and equipment (note 4)	**362,177**	369,285
Goodwill and intangible assets	**17,912**	18,167
Total Non-Current Assets	**381,476**	389,149
Total Assets	**415,961**	430,895
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	**27,800**	35,318
Deferred liabilities	**1,919**	1,172
Contract liabilities	**2,081**	2,635
Total Current Liabilities	**31,800**	39,125
Non-Current		
Long-term debt (note 5)	**107,469**	115,059
Asset retirement obligations	**9,881**	9,923
Other long-term liabilities	**3,346**	3,852
Deferred income taxes	**34,261**	34,820
Total Non-Current Liabilities	**154,957**	163,654
Total Liabilities	**186,757**	202,779
Shareholders' Equity		
Share capital (note 6)	**378,311**	377,814
Contributed surplus	**14,814**	14,907
Accumulated other comprehensive income	**12,548**	9,876
Accumulated deficit	**(178,446)**	(176,524)
Total Shareholders' Equity	**227,227**	226,073
Non-controlling interests	**1,977**	2,043
Total Equity	**229,204**	228,116
Total Liabilities and Equity	**415,961**	430,895

See accompanying notes to the unaudited interim condensed consolidated financial statements

Refer to Commitments in Note 11.

UNAUDITED CONSOLIDATED STATEMENT OF NET LOSS

for the three month periods ended March 31,

(Expressed in thousands, except per share amounts)	2018 $	2017 $
Revenue (notes 7 and 10)	**40,944**	38,203
Direct costs (note 7)	**23,270**	24,264
Gross profit	**17,674**	13,939
Expenses		
Administrative expenses (note 8)	**9,107**	9,904
Depreciation and amortization	**9,224**	11,870
Share based compensation (note 6)	**496**	458
Finance costs	**1,447**	2,252
Gain on sale of real estate assets (note 4)	**—**	(2,467)
Loss before income taxes	**(2,600)**	(8,078)
Income tax recovery		
Current	**31**	(2,260)
Deferred	**(740)**	(42)
Total income taxes	**(709)**	(2,302)
Loss before non-controlling interest	**(1,891)**	(5,776)
Profit (loss) attributable to non-controlling interest	**31**	(322)
Loss for the period	**(1,922)**	(5,454)
Loss per share - basic and diluted (note 9)	**(0.03)**	(0.12)

See accompanying notes to the unaudited interim condensed consolidated financial statements

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

for the three month periods ended March 31,

(Expressed in thousands)	2018 $	2017 $
Loss for the period	**(1,922)**	(5,454)
Other comprehensive income (loss) to be reclassified to Consolidated Statement of Net Income in subsequent period:		
Translation adjustments	**2,672**	(79)
Total comprehensive income (loss)	**750**	(5,533)

See accompanying notes to the unaudited interim condensed consolidated financial statements

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the three month periods ended March 31, 2018 and 2017

(Expressed in thousands)	Issued Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity	Non-Controlling interest	Total Equity
	$	$	$	$	$	$	$
As at January 1, 2017	345,865	13,062	16,068	(71,891)	303,104	4,317	307,421
Loss for the period	—	—	—	(5,454)	(5,454)	(322)	(5,776)
Translation adjustments	—	—	(79)	—	(79)	—	(79)
Dividends declared	—	—	—	(3,702)	(3,702)	—	(3,702)
Distributions declared to partners	—	—	—	—	—	(89)	(89)
Share capital issued (note 6)	31,900	—	—	—	31,900	—	31,900
Share issue costs, net of tax (note 6)	(1,425)	—	—	—	(1,425)	—	(1,425)
Shares issued under DRIP	261	—	—	—	261	—	261
Vesting of shares in trust	168	(168)	—	—	—	—	—
Share based compensation expense (note 6)	—	217	—	—	217	—	217
As at March 31, 2017	**376,769**	**13,111**	**15,989**	**(81,047)**	**324,822**	**3,906**	**328,728**
As at January 1, 2018	377,814	14,907	9,876	(176,524)	226,073	2,043	228,116
Loss for the period	**—**	**—**	**—**	**(1,922)**	**(1,922)**	**31**	**(1,891)**
Translation adjustments	**—**	**—**	**2,672**	**—**	**2,672**	**—**	**2,672**
Distributions declared to partners	**—**	**—**	**—**	**—**	**—**	**(97)**	**(97)**
Vesting of shares in trust (note 6)	**497**	**(497)**	**—**	**—**	**—**	**—**	**—**
Share based compensation expense (note 6)	**—**	**404**	**—**	**—**	**404**	**—**	**404**
As at March 31, 2018	**378,311**	**14,814**	**12,548**	**(178,446)**	**227,227**	**1,977**	**229,204**

See accompanying notes to the unaudited interim condensed consolidated financial statements

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
for the three month periods ended March 31,

(Expressed in thousands)	2018 $	2017 $
Operating activities		
Loss for the period	**(1,922)**	(5,454)
Add (deduct) non-cash / non-operating activities:		
Share based compensation expense (note 6)	**496**	458
Depreciation and amortization	**9,224**	11,870
Finance costs	**1,447**	2,252
Gain on sale of real estate assets	**—**	(2,467)
Deferred income taxes	**(740)**	(42)
Profit (loss) attributable to non-controlling interest	**31**	(322)
Book value of used fleet sales (note 4)	**2,339**	7,828
	10,875	14,123
Change in long-term accounts receivable	**322**	141
Change in non-current deferred revenue	**(506)**	599
Change in non-cash working capital related to operating activities	**5,256**	(8,915)
Net cash flows from operating activities	**15,947**	5,948
Investing activities		
Purchase of property and equipment (note 4)	**(1,347)**	(5,043)
Business acquisitions	**—**	(42,025)
Proceeds from sale of real estate (note 4)	**—**	11,350
Change in non-cash working capital related to investing activities	**(2,450)**	2,625
Net cash flows used in investing activities	**(3,797)**	(33,093)
Financing activities		
Proceeds from long-term debt	**24,074**	42,405
Repayment of long-term debt	**(31,706)**	(40,000)
Costs associated with issue and restructuring of facilities	**—**	(441)
Net interest paid	**(1,253)**	(1,575)
Net proceeds from issuance of shares (note 6)	**—**	29,955
Dividends declared	**—**	(3,702)
Distributions declared to non-controlling interest	**(97)**	(89)
Change in non-cash working capital related to financing activities	**(1,272)**	503
Net cash flows from (used in) financing activities	**(10,254)**	27,056
Increase (decrease) in cash and cash equivalents	**1,896**	(89)
Cash and cash equivalents, beginning of the period	**2,497**	6,119
Effect of foreign currency rate changes on cash and cash equivalents	**(291)**	50
Cash and cash equivalents, end of the period	**4,102**	6,080

See accompanying notes to the unaudited interim condensed consolidated financial statements

1. GENERAL INFORMATION

The unaudited interim condensed consolidated financial statements ("interim financial statements") of Black Diamond Group Limited, its subsidiaries, its former associate and its controlled limited partnerships (collectively “Black Diamond” or the “Company”) for the three month periods ended March 31, 2018 and 2017 were authorized for issuance in accordance with a resolution of the Board of Directors on May 3, 2018. Black Diamond is headquartered in Calgary, Alberta. The Company was incorporated in Alberta on October 7, 2009. The address of the Company’s registered office is Suite 4600, 525 – 8th Avenue S.W., Calgary, Alberta, Canada.

The common shares of the Company are listed on the Toronto Stock Exchange (TSX: BDI).

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The interim financial statements for the three month periods ended March 31, 2018 and 2017 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Basis of Presentation and Measurement

These interim financial statements have been prepared on a going concern basis using the historical cost basis.

Except as otherwise disclosed, the same accounting policies and methods of computation were followed in the preparation of these interim financial statements as were applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2017 ("2017 Financial Statements"). These interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2017 Financial Statements. Certain figures in the comparative financial statements have been reclassified to conform to the current period’s presentation.

These interim financial statements are presented in Canadian dollars and all amounts are rounded to the nearest thousand ($’000), except per share amounts or as otherwise noted.

Seasonality of operations

The Company's western Canadian operations, which form part of its Modular Space Solutions and Workforce Solutions business units, are exposed to a variable degree of seasonality. Drilling accommodations and surface rental assets of the Workforce Solutions business unit have higher utilization rates during the fall and winter months when drilling activity is higher than during the spring and summer months. Similarly, operations levels at camps operated by the Workforce Solutions business unit are generally higher in the winter. This seasonality is offset by Modular Space Solutions operations outside of the energy sector, which experience the highest customer demand in the summer months when construction is most active and relatively lower demand in the winter months.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in accounting policy and disclosure

Financial Instruments

IFRS 9 sets out requirements for the classification and measurement of financial assets, financial liabilities, impairment and includes the new general hedge accounting model. IFRS 9 Financial Instruments (July 2014) replaces earlier versions of IFRS 9 and supersedes IAS 39 Financial instruments: Recognition and measurement and the effective date of the new standard is for annual periods beginning on or after January 1, 2018. The Company has applied IFRS 9 retrospectively, with the initial application date of January 1, 2018. No changes were required to the comparative period.

Revenue Recognition

IFRS 15 - Revenue from Contracts with Customers supersedes IAS 18 Revenue, IAS 11 Construction Contracts, and a number of revenue-related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. A five-step model is used to account for revenue arising from contracts with customers. Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. Incremental costs of obtaining a contract are paid over the life of the contract.

The standard requires management to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Black Diamond has applied a full retrospective transition method in adopting IFRS 15. The adoption of IFRS 15 does not have a material impact on the Company's financial statements, as such prior year opening and/or comparative amounts were not adjusted with the exception of contract liabilities as noted below.

Black Diamond is in the business of providing rental of specialized equipment, plus the support services for these assets including transportation, installation, catering, utilities, security and sub-contracting third party service providers for other specific requirements of our customers. Revenue is recognized by Black Diamond under both IFRS 15 Revenue from Contracts with Customers and under IAS 17 Leases.

(a) Rental

Rental revenue is associated with the rental of Black Diamond's owned assets to customers and is recognized in the period the equipment is used by the customer based on a straight-line basis over the term of the related rental agreement. Rental revenue is out of scope of IFRS 15 and will continue to be accounted for under IAS 17 - Leases. There are no significant revenue recognition differences identified.

(b) Sales

Revenue from the sale of new units, custom manufactured equipment and used rental equipment generally include one performance obligation. Black Diamond has concluded that revenue from the sale of equipment should be recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The adoption of IFRS 15 had no impact on the timing or the amount of sales revenue recognized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Non-Rental

Non-rental revenue includes delivery, pickup, installation, transportation, maintenance ("Operations"), dismantlement of assets, catering services, subleased equipment and stand-by fees on disaster recovery contracts. Non-rental revenue services are usually bundled together with sales or rental contracts. Black Diamond reviews and assesses bundled contracts to determine that performance obligations related to various services or goods provided within the same contract are distinct and clearly identifiable. The amount of revenue is based on the prices outlined in the contracts and is recognized at the time when the distinct performance obligation is satisfied and the customer receives and consumes the benefits of the services or goods provided by the Company. When a price or multiple prices outlined within a contract are not reasonably comparable to stand-alone pricing for the various performance obligations, the Company re-allocates the total contract consideration based on the relative stand-alone selling prices.

Revenue from catering services, subleased equipment and stand-by fees on disaster recovery are recognized over the time the service is provided to the customer on a straight-line basis.

Revenue from delivery, pickup, installation, transportation, maintenance and dismantlement of assets will continue to be recognized over time, using an input method to measure progress towards complete satisfaction of the service similar to the previous accounting policy, because the customer simultaneously receives and consumes the benefits provided by the Company.

(d) Lodging

Lodging revenue is generated from provision of full turnkey lodging services provided to customers. Revenue is recognized in the period the service is provided to the customer. The adoption of IFRS 15 had no impact on lodging revenue and the Company continues to recognize it at the time when the services are provided based on set man day rates through LodgeLink or at specific contracted rates with customers.

Presentation and disclosure requirements

As required for the condensed interim financial statements, Black Diamond disaggregates revenue recognized from contracts with customers into main streams that depict how the nature, timing and uncertainty of the revenue and cash flows are affected by economic factors. Refer to Note 7 for the disclosures on disaggregated revenue.

The timing of revenue recognition, billings and cash collections results in billed accounts receivable and accruals, contract assets, and contract liabilities on the Consolidated Statement of Financial Position. In some contracts, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals or upon achievement of contractual milestones. When a performance obligation is achieved and revenue is recognized but the timing does not match to the contractual terms for billing, then a contract asset results. When an amount is received as an advance or a deposit from a customer, prior to the recognition of revenue, a contract liability results. These amounts were previously included in accrued receivables and deferred revenue but are now reclassified as contract assets and contract liabilities on the Consolidated Statement of Financial Position. Black Diamond has no contract assets at March 31, 2018 or December 31, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the interim financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective on or after January 1, 2019.

IFRS 16 Leases

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

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

3. ACCOUNTS RECEIVABLE

	March 31, 2018	December 31, 2017
	$	$
Current		
Trade and accrued receivables	**27,750**	29,187
Finance lease receivables where Company is the lessor	**90**	91
Provision for doubtful accounts	**(327)**	(349)
Total current accounts receivable	**27,513**	28,929

4. PROPERTY AND EQUIPMENT

The Company added assets of $1,347 (2017 - $5,043) during the three months ended March 31, 2018, substantially all of which were fleet assets. There were also disposals of fleet assets with a net book value of $2,339 (2017 - $7,828) during the three months ended March 31, 2018, which is included in direct costs. The net realizations from the sale of fleet assets is included in gross profit.

On March 30, 2017, Black Diamond completed the sale of certain real estate properties for cash consideration of $11,350, resulting in a gain of $2,467. The Company contemporaneously entered into an agreement to lease these assets from the purchaser.

5. LONG-TERM DEBT

	March 31, 2018 $	December 31, 2017 $
Demand operating facilities	**177**	1,216
Committed extendible revolving operating facility	**46,351**	49,400
Senior secured notes	**61,257**	64,800
Costs associated with issue and restructuring of facilities	**(316)**	(357)
Total long-term debt	**107,469**	115,059

For a full description of the Company's debt instruments, refer to the annual audited consolidated financial statements.

Debt Covenants

At March 31, 2018, Black Diamond was in compliance with all of its debt covenants. Breach of any term or condition of the committed extendible revolving operating facility or the senior secured notes would result in an event of default in which case Black Diamond may have available specific cure periods to remedy such default. If the default is not remedied or waived, the lenders have the option to declare the obligations of Black Diamond under the extendible revolving operating facility and the senior secured notes to be immediately due and payable without presentment, demand, protest or further notice of any kind.

Covenant as at March 31, 2018	Required	Actual
Funded Debt to Bank EBITDA Ratio	≤ 4.50:1	3.24
Interest Coverage Ratio	≥ 3.00:1	5.36

6. SHARE CAPITAL

a) Share capital

Authorized: An unlimited number of voting common shares with no par value and an unlimited number of preferred shares, issuable in series.

Issued - Common shares	Number of shares	$
January 1, 2017	46,102	345,865
Issued on share offering	8,507	31,900
Share issue costs, net of tax	—	(1,425)
Issued under DRIP	408	1,237
Purchase of shares in trust	(27)	(73)
Vesting of shares in trust	53	310
December 31, 2017	**55,043**	**377,814**
Vesting of shares in trust and RSUs	**74**	**497**
March 31, 2018	**55,117**	**378,311**

6. SHARE CAPITAL (continued)

b) Share Based Compensation Plans

(i) Share option plan

As at March 31, 2018, there were 2,817 common shares (December 31, 2017 - 2,481) reserved for issuance from treasury upon the exercise of share options granted pursuant to the Company's Share Option Plan. The exercise price of each option equals the weighted average trading price of the common shares for the five trading days preceding the date of the grant. Outstanding options granted under the Share Option Plan generally vest on a straight line basis over three years and the option term is five years from the date of grant.

(expressed in thousands except per share amounts and years)

Grant date	Number of options outstanding	Exercise price per share	Remaining contractual life (years)	Number exercisable	Fair value at grant date
		$			$
November 15, 2013	85	27.43	0.63	85	5.21
January 9, 2015	455	12.35	1.78	445	1.46
March 20, 2015	10	13.67	1.97	10	1.78
March 11, 2016	339	4.72	2.95	226	1.03
March 21, 2017	638	3.60	3.97	213	0.81
August 14, 2017	411	1.74	4.37	—	0.74
September 12, 2017	120	1.91	4.45	—	0.83
September 22, 2017	60	1.86	4.48	—	1.00
March 15, 2018	699	2.53	4.96	—	0.86
Balance March 31, 2018	2,817			979	
Weighted average		5.26	3.72	10.01 (1)	

(1) Amount refers to the weighted average exercise price of the exercisable options as at March 31, 2018.

6. SHARE CAPITAL (continued)

Black Diamond recorded the following share option activity during 2018 and 2017:

	Number of options outstanding	Weighted average exercise price per share
		$
January 1, 2017	**2,686**	**16.38**
Granted	**1,397**	**2.83**
Expired	**(1,006)**	**20.40**
Forfeited	**(596)**	**10.62**
December 31, 2017	**2,481**	**8.33**
Granted	**699**	**2.53**
Expired	**(363)**	**20.98**
March 31, 2018	**2,817**	**5.26**

The Black-Scholes option pricing model was used in determining the fair values of these options using a forfeiture rate of 5%, based on historical experience and future expectations, and the following assumptions:

Date of grant	Dividend yield	Expected average volatility	Average risk-free rate
	%	%	%
November 15, 2013	2.95	31	1.09
January 9, 2015	8.00	34	1.00
March 20, 2015	7.31	37	0.46
March 11, 2016	11.61	52	0.49
March 21, 2017	8.33	51	1.02
August 14, 2017	—	54	1.52
September 12, 2017	—	54	1.76
September 22, 2017	—	54	1.81
March 15, 2018	—	61	1.78

The expected life of the options is three years and is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not occur.

Included in share-based compensation expense for the three months ended March 31, 2018 was $51 (2017 - $62) for the costs related to the Share Option Plan.

6. SHARE CAPITAL (continued)

(ii) Other share-based plans

Changes in the number of units, with their weighted average fair value, are summarized below:

	Incentive Award Plan		Share Award Plan		Deferred Share Unit Plan	
	Number of units	Weighted fair value per unit	Number of units	Weighted fair value per unit	Number of units	Weighted fair value per unit
		$		$		$
January 1, 2017	297	5.52	153	4.72	43	4.78
Granted	230	3.60	466	2.80	57	3.40
Reinvested	23	3.04	20	2.93	5	2.92
Forfeited	(124)	4.78	(93)	4.03	(11)	4.19
Vested	(57)	6.97	—	—	—	—
December 31, 2017	369	4.19	546	3.13	94	3.91
Granted	221	2.53	473	2.53	60	2.53
Forfeited	(14)	4.36	—	—	—	—
Vested	(45)	4.03	(29)	3.60	—	—
March 31, 2018	531	3.51	990	2.83	154	3.38

DSU's are reported as fully vested once settled.

The fair value of awards granted under these share-based plans is equal to the weighted average trading price of the Company's shares for the five trading days immediately preceding the date of grant.

As at March 31, 2018, these share-based plans include 165 units (December 31, 2017 - 139) that are expected to be settled in cash. A liability is included in accounts payable and accrued liabilities in the amount of $575 (December 31, 2017 - $493).

Included in share-based compensation expense for the three months ended March 31, 2018 was $445 (2017 - $396) for the costs related to the other share-based plans.

The Company established the Incentive Award Plan Trust and the Deferred Share Unit Plan Trust (collectively the "Trusts") which are consolidated in the Company's financial statements. Any shares held in the Trusts are accounted for as a reduction of share capital. As at March 31, 2018 there are 320 shares held in the Trusts (December 31, 2017 - 365).

7. REVENUE AND DIRECT COSTS

	Three months ended March 31,	
	2018	2017
Workforce Solutions	**$**	$
Rental revenue	**7,102**	8,093
Lodging revenue	**9,676**	4,057
Sales revenue	**2,015**	10,019
Non-rental revenue	**7,971**	5,924
Total Workforce Solutions revenue	**26,764**	28,093
Modular Space Solutions		
Rental revenue	**7,029**	6,284
Sales revenue	**2,411**	517
Non-rental revenue	**4,709**	3,286
Total Modular Space Solutions revenue	**14,149**	10,087
Corporate and Other	**31**	23
Total Revenue	**40,944**	38,203

Non-rental revenues are derived from the delivery, installation, construction, project management and value-added products & services required to support the deployment and remobilization of assets that have been rented or sold to customers. Sales revenues are derived from the sale of both new and used assets.

Customer deposits relating to non-rental revenue for used fleet sales and operations are included in contract liabilities in the Consolidated Statement of Financial Position. These amounts are expected to be recognized within the next twelve months.

	Three months ended March 31,	
	2018	2017
Direct Costs	**$**	$
Used fleet sales	**2,339**	7,828
Construction and transportation services	**4,786**	4,931
Repairs and maintenance	**2,587**	4,429
Catering, utilities and other consumable costs	**6,906**	2,996
Subleased equipment	**3,822**	1,793
Personnel costs	**1,557**	1,271
Other direct costs	**1,273**	1,016
Total direct costs	**23,270**	24,264

8. ADMINISTRATIVE EXPENSES

	Three months ended March 31,	
	2018	2017
	$	$
Personnel costs	**4,879**	5,194
General administrative expenses	**1,958**	1,662
Occupancy and insurance	**2,270**	2,467
Acquisition costs	**—**	581
Total administrative expenses	**9,107**	9,904

General administrative expenses includes costs related to professional services, office administration and communication, bad debts, travel and accommodation.

9. LOSS PER SHARE

Basic and diluted loss per share is calculated on the loss attributable to Black Diamond for the period.

	Three months ended March 31,	
Reconciliation of weighted average number of shares	**2018**	2017
Weighted average common shares outstanding - basic and diluted	**55,046**	46,498

Excluded from diluted weighted average number of shares are 2,817 anti-dilutive options for the three months ended March 31, 2018 (2017 - 2,751). Also excluded from diluted weighted average number of shares are 990 anti-dilutive Share Award Plan units for the three months ended March 31, 2018 (2017 - 414).

10. SEGMENTED INFORMATION

Effective January 1, 2018, Black Diamond changed the basis of its segmentation for reporting purposes to align with how the information is being reported internally to the chief operating decision makers. Previously, the segments were disclosed as BOXX Modular, Camps & Lodging, Energy Services and International. The new segments are Modular Space Solutions and Workforce Solutions and are based on the type of product and service offering. The comparative numbers at March 31, 2017 or December 31, 2017 have been restated to conform to this segmentation.

The Modular Space Solutions business unit provides high quality, cost effective, modular space rentals to customers throughout North America. These customers operate in the construction, real estate development, manufacturing, education and resource industries, and also include government agencies. Products include office units, lavatories, storage units, large multi-unit office complexes, classroom facilities, custom manufactured modular facilities and blast resistant structures. Modular Space Solutions also sells both new and used space rentals units and provides delivery, installation, project management and ancillary products and services.

The Workforce Solutions business unit provides complete workforce housing solutions including rental of accommodations and surface equipment, provision of full turnkey lodging and provision of travel management logistics through LodgeLink. Workforce Solutions operates in Canada, the United States and Australia. The primary service offerings in Workforce Solutions are asset rental, lodging and travel management logistics. To support the core rental business, Workforce Solutions also offers associated services such as installation, transportation and dismantlement and at times, management will sell used fleet to ensure a current rentable asset base.

The Corporate and Other business unit includes costs related to administrative activities that support all segments. Included in Corporate and Other are revenues generated from subleasing of real estate properties. Certain prior period information has been restated based on the restructured business units.

10. SEGMENTED INFORMATION (continued)

	Three months ended March 31, 2018	2017
	$	$
Revenue		
Modular Space Solutions	**14,149**	10,087
Workforce Solutions	**26,764**	28,093
Corporate and Other	**31**	23
Total Revenue	**40,944**	**38,203**
Depreciation of Property and Equipment		
Modular Space Solutions	**2,534**	1,866
Workforce Solutions	**5,945**	8,732
Corporate and Other	**291**	363
Total Depreciation	**8,770**	**10,961**
Profit (loss)		
Modular Space Solutions	**799**	(231)
Workforce Solutions	**992**	(3,353)
Corporate and Other	**(3,713)**	(1,870)
Total Profit (Loss)	**(1,922)**	**(5,454)**
Capital Expenditures (Additions)		
Modular Space Solutions [(1)]	**1,094**	2,883
Workforce Solutions	**149**	1,519
Corporate and Other	**104**	641
Total Capital Expenditures	**1,347**	**5,043**

(1) Amount does not include property and equipment added through business acquisitions.

10. SEGMENTED INFORMATION (continued)

	March 31, 2018 $	December 31, 2017 $
Property and Equipment		
Modular Space Solutions	**149,962**	150,875
Workforce Solutions	**191,156**	197,407
Corporate and Other	**21,059**	21,003
Total Property and Equipment	**362,177**	369,285
Intangible Assets		
Modular Space Solutions	**8,031**	8,422
Total Intangible Assets	**8,031**	8,422
Goodwill		
Modular Space Solutions	**9,881**	9,745
Total Goodwill	**9,881**	9,745
Assets		
Modular Space Solutions	**170,391**	178,549
Workforce Solutions	**219,279**	217,436
Corporate and Other	**26,291**	34,910
Total Assets	**415,961**	430,895

10. SEGMENTED INFORMATION (continued)

Geographic and customer information

	Three months ended March 31, 2018	2017
	$	$
Revenue		
Canada	**31,531**	30,984
United States	**7,195**	5,727
Australia	**2,218**	1,492
Total Revenue	**40,944**	38,203

The allocation of revenues to the geographic segments is based upon the customer location where the product is utilized.

	March 31, 2018	December 31, 2017
	$	$
Property and Equipment, Intangibles and Goodwill		
Canada	**262,474**	271,233
United States	**104,523**	103,216
Australia	**13,092**	13,003
Total Property and Equipment, Intangibles and Goodwill	**380,089**	387,452

11. COMMITMENTS

At March 31, 2018, Black Diamond had made capital expenditure commitments with key manufacturers of modular structures in the amount of $1,217 (December 31, 2017 - $2,535).

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

	March 31, 2018	December 31, 2017
	$	
Due within one year	6,780	6,831
Due later than one year and less than five	21,202	21,070
Due after five years	16,263	17,302
	44,245	45,203

12. RELATED PARTY TRANSACTIONS

The amounts due to related parties include distributions and royalties payable to the non-controlling interests. They are non-interest bearing and due on demand.

The following table provides the total amount of transactions that have been entered into with related parties during the three month periods ended March 31, 2018 and 2017, as well as balances with related parties as at March 31, 2018 and December 31, 2017.

	For the three months ended March 31,		Due to related party as at	
	2018	2017	**March 31, 2018**	December 31, 2017
	$	$	**$**	$
Non-controlling interests				
Limited partners				
Royalties and distributions declared	**222**	228	**415**	246

13. SUBSEQUENT EVENTS

On April 16, 2018 Black Diamond entered into a non-binding agreement to assume the land lease and ongoing operations of Sunset Prairie Lodge in the Montney region. Under the terms of the agreement, Black Diamond will receive a cash payment of $11.2 million, which is net of the costs associated with acquiring certain lease assets and Black Diamond will take responsibility for the eventual cost of dismantling the lodge.