MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine month periods ended September 30, 2013 and 2012

BLACK DIAMOND GROUP

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") was prepared as of November 6, 2013 and is provided to assist readers in understanding Black Diamond Group Limited's ("Black Diamond" or "Company") financial performance for the three and nine month periods ended September 30, 2013 and significant trends that may affect the future performance of Black Diamond. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and nine month periods ended September 30, 2013 and 2012 and the audited consolidated financial statements of the Company for the year ended December 31, 2012. The accompanying unaudited condensed consolidated interim financial statements of Black Diamond are prepared in accordance with International Financial Reporting Standards ("IFRS"). Black Diamond's common shares trade on the Toronto Stock Exchange under the symbol "BDI".

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

Certain information set forth in this MD&A contains forward-looking statements including management's assessment of Black Diamond's future operations, performance, business prospects and opportunities, and statements relating to future operational and financial results and dividend levels and management's future expectations regarding the financial performance of the Company and its business units, forecast 2014 capital expenditures of the Company and how such expenditures will be funded set out under the heading "Outlook". With respect to the forward-looking statements in the MD&A, Black Diamond has made assumptions regarding, among other things: that Black Diamond will continue to conduct its operations in a manner consistent with past operations, that counterparties to contracts will perform the contracts as written and that there will be no unforeseen material delays in contracted projects. Although Black Diamond believes that the expectations reflected in the forward-looking statements contained in this MD&A, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurances that such expectations or assumptions will prove to be correct. Readers are cautioned that assumptions used in the preparation of such statements may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of Black Diamond. These risks include, but are not limited to: the impact of general economic conditions, industry conditions, fluctuation of commodity prices, industry competition, availability of qualified personnel and management, stock market volatility and timely and cost effective access to sufficient capital from internal and external sources. The risks outlined above should not be construed as exhaustive. Additional information on these and other factors that could affect Black Diamond's operations and financial results are included in Black Diamond's annual information form and other reports on file with the Canadian Securities Regulatory Authorities which can be accessed through the SEDAR website at www.sedar.com. Readers are cautioned not to place undue reliance on these forward-looking statements. Furthermore, the forward-looking statements contained in this MD&A are made as at the date of this MD&A and Black Diamond does not undertake any obligation to update or revise any of the forward-looking statements, except as may be required by applicable securities laws.

OVERVIEW OF THE COMPANY

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

Black Diamond Group Limited's ("Black Diamond" or the "Company") head office is located at Suite 2000, 715 – 5th Avenue S.W., Calgary, Alberta, Canada. The business of Black Diamond, through its subsidiaries and its approximate 50% equity participation in certain aboriginal partnerships is to rent modular structures for use as workforce accommodation and temporary workspace; rent various types of oilfield equipment used in the exploration and production of oil and gas; provision of lodging services and complementary services including transportation, installation, dismantling, repair and maintenance of modular structures and oilfield rental equipment. As of January 1, 2013, Black Diamond operated through four complementary business units in strategic locations across Canada, the United States and Australia, consisting of Black Diamond Structures, Black Diamond Logistics, Black Diamond Energy Services and Black Diamond International.

Black Diamond changed the basis of its business unit structure for reporting purposes beginning in the 2013 fiscal year to five reportable segments: Structures, Logistics, Energy Services, International and Corporate. Previously, the reportable segments were disclosed as Camps and Logistics, BOXX Modular, Energy Services and Corporate. The change had an impact on the segment information reported but did not change the aggregate financial information reported for Black Diamond. To enable readers to understand the changes and to assess trends, prior period segment information included in the financial statements and this MD&A for comparative purposes, was restated to reflect the new business structure.

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

Black Diamond Logistics provides turnkey lodging services, remote facility management and supply chain solutions. Black Diamond Logistics operates Sunday Creek Lodge where the Company owns the lease. This business unit manages a number of other workforce housing facilities and associated services for

OVERVIEW OF THE COMPANY (continued)

customers. This business unit also provides sophisticated supply chain management services to large exploration and production customers to improve efficiency of their remote services.

Black Diamond Energy Services rents oilfield surface equipment and oilfield and drilling accommodation equipment and provides full service installation and maintenance services. The primary business of Black Diamond Energy Services can be separated into the following two revenue streams: oilfield rentals consisting of various types of oilfield rental equipment used to support drilling, completion and production activities and wellsite quarters and drill camps. The rental equipment consists of 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 life support amenities to drilling crews and support staff.

Black Diamond International rents and sells remote workforce housing and modular workspace solutions and provides associated services outside of North America. The primary operating geography for this business unit is Australia. The business unit's rental fleet assets are similar to assets which the Company operates in North America and are well-positioned in the resource-rich states of Queensland and western Australia. Black Diamond International's diverse customer base includes natural resource companies, building and construction companies, commercial and general industrial companies and government. The functional currency of the Australian operations is the Australian Dollar ("AU").

SELECTED FINANCIAL INFORMATION

The following is a summary of selected financial and operating information that has been derived from, and should be read in conjunction with, the unaudited condensed interim consolidated financial statements of Black Diamond for the three and nine month periods ended September 30, 2013, 2012 and 2011.

	Three months ended September 30			Nine months ended September 30		
(in thousands, except as noted)	**2013**	**2012**	**2011**	**2013**	**2012**	**2011**
Financial Highlights	$	$	$	$	$	$
Total revenue	78,144	74,901	63,070	240,195	195,832	175,602
Gross Profit	44,694	39,404	31,488	137,652	107,302	87,995
Gross Profit %	57%	53%	50%	57%	55%	50%
Administrative expenses (1)	12,600	9,161	6,802	38,079	25,577	20,796
Administrative expense %	16%	12%	11%	16%	13%	12%
EBITDA (2)	33,050	31,210	25,166	102,785	84,148	68,576
EBITDA %	42%	42%	40%	43%	43%	39%
Net income before taxes	17,018	19,171	15,933	57,050	52,301	42,987
Net income	11,808	12,982	11,011	39,562	37,001	30,921
Per share - Basic	0.28	0.32	0.30	0.95	0.96	0.84
- Diluted	0.28	0.32	0.29	0.93	0.94	0.82
Capital expenditures	17,708	49,407	17,551	59,158	117,012	66,084
Property & equipment (NBV)	468,919	387,197	283,866	468,919	387,197	283,866
Total assets	629,523	537,349	420,677	629,523	537,349	420,677
Long-term debt	158,069	86,300	86,071	158,069	86,300	86,071
Dividends declared	8,823	7,402	5,307	25,485	20,274	15,117
Payout ratio (2)	28%	24%	21%	27%	26%	22%

Notes:

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

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

SELECTED OPERATING INFORMATION

(in thousands, except as noted)	Three months ended September 30			Nine months ended September 30		
	2013	**2012**	**2011**	**2013**	**2012**	**2011**
Operational Highlights						
Structures Business Unit						
Workforce accommodation units in fleet at end of period	2,975	2,652	1,880	2,975	2,652	1,880
Average utilization during the period	85%	93%	93%	89%	93%	94%
Workforce accommodation bedcount	11,932	10,815	7,809	11,932	10,815	7,809
Space rental units in fleet	3,246	3,024	2,663	3,246	3,024	2,663
Average utilization	80%	75%	76%	84%	75%	74%
Logistics Business Unit						
Beds under management (1)	3,035	2,641	1,577	3,035	2,641	1,577
Energy Services Business Unit						
Drilling accommodation units	288	269	210	288	269	210
Average utilization during the period	65%	67%	39%	67%	68%	52%
Drilling accommodation bedcount	890	954	963	890	954	963
Surface rental equipment	2,330	2,328	1,645	2,330	2,328	1,645
Average utilization	32%	46%	49%	32%	44%	44%
International Business Unit						
Workforce accommodation and space rental units in fleet at end of period	1,124	n/a	n/a	1,124	n/a	n/a
Workforce accommodation bedcount	1,610	n/a	n/a	1,610	n/a	n/a
Average utilization	81%	n/a	n/a	81%	n/a	n/a
Consolidated unit count	9,963	8,273	6,398	9,963	8,273	6,398
Consolidated bed count	14,432	11,769	8,772	14,432	11,769	8,772

Notes:

(1) As at September 30, 2013, of the total beds under management in the Logistics Business Unit, 2,607 are owned by Black Diamond and included in the Structures workforce accommodation bedcount, and the remaining 428 beds are managed by Black Diamond on behalf of third parties.

(2) The method used to calculate the average utilization rates for 2013 was changed to a weighted utilization instead of simple utilization used in prior periods. This change does not materially affect the prior period utilization rates and therefore they were not restated.

2013 THIRD QUARTER HIGHLIGHTS

Revenue levels for the three month period ended September 30, 2013 (hereafter referred to as the "Period") increased by 4% to $78.1 million compared to the three month period ended September 30, 2012 (hereafter referred to as the "Comparative Period"). Rental revenue was 61% higher at $37.9 million, non-rental revenue decreased by 19% to $25.4 million and lodging revenue decreased by 25% to $14.8 million relative to the Comparative Period.

The decrease in non-rental revenue and lodging revenue relative to the Comparative Period was due to certain contracted projects in the Period being delayed until Q4 2013 and Q1 2014. This delay caused non-rental revenue relating to ancillary services and lodging revenue relating to operations from these projects to decrease.

Revenue levels for the nine month period ended September 30, 2013 (hereafter referred to as the "YTD Period") increased by 23% to $240.2 million compared to the nine month period ended September 30, 2012 (hereafter referred to as the "Comparative YTD Period"). Rental revenue was 52% higher at $113.9 million, non-rental revenue decreased by 8% to $67.9 million and lodging revenue was 25% higher at $58.4 million relative to the Comparative YTD Period.

One of the primary drivers of Black Diamond's business continues to be the rental of fleet units. The significant investment in fleet and operated facilities during 2012 resulted in a 61% or $14.3 million increase in rental revenue in the Period compared to the Comparative Period. In the YTD Period, there was a 52% or $38.9 million increase in rental revenue over the Comparative YTD Period, also as a result of an increase in the rental fleet. Within the Structures Business Unit, the number of workforce accommodation fleet units grew by 12% or 323 units between September 30, 2012 and September 30, 2013. Over the same period, the space rentals fleet grew by 7% or 222 units. The utilization of these fleet assets was strong throughout the Period averaging 85% for Structures workforce accommodations equipment. The space rental fleet utilization increased to 80% in the Period as compared to 75% in the Comparative Period. Between September 30, 2012 and September 30, 2013, the Energy Services accommodations fleet grew by 7% or 19 units, whereas the number of surface rental pieces of equipment increased marginally. Within Energy Services, drilling accommodations and surface rental equipment utilization rates were 65% and 32%, respectively, in the Period compared to 67% and 46%, respectively, in the Comparative Period. Drilling accommodations and surface rental equipment utilization rates were 67% and 32%, respectively, in the YTD Period compared to 68% and 44%, respectively, in the Comparative YTD Period. The decrease in utilization of surface rental equipment in this business unit over the Comparative Period is a result of lower demand for storage tanks and associated equipment and lower overall drilling and completion activity over the Comparative YTD Period. Lodging revenue increased by 25% in the YTD Period as a result of activity associated with several full service operated camps including the expanded Sunday Creek Lodge, which led to the beds under management increasing by 394 units or 15% from the Comparative YTD Period. The 25% decrease in Lodging revenue in the Period over the Comparative Period was largely due to one substantial full service camp winding down.

The Company's business activities continue to be concentrated on the resource sector, with approximately 78% of total revenue in the YTD Period generated by oil and gas related companies in western Canada, including oilsands projects representing 40% of total revenue in the YTD Period. During the YTD Period revenue generated from non-oil and gas sectors includes 10% relating to general construction, with the balance of 12% generated from business not directly related to resource sector activity.

In the Period, Black Diamond's International Business Unit generated $4.7 million of revenue, consisting of $3.0 million in rental revenue and $1.7 million in non-rental revenue. For the YTD Period, total Australian revenue was $15.3 million, consisting of $9.6 million of rental revenue and $5.7 million of non-rental revenue. The International operations include 1,124 workforce accommodation and space rental units. Fleet utilization was 81% for the Period and the YTD Period.

2013 THIRD QUARTER HIGHLIGHTS (continued)

Administrative expenses for the Period were 16% of revenue, an increase from 12% in the Comparative Period. For the YTD Period, administrative expenses were 16% of revenue, which is an increase from 13% in the Comparative YTD Period. The Period's expenses as a percentage of revenue increased relative to the Comparative Period due to personnel costs increasing at a time when revenue, particularly Lodging, was experiencing lower levels due to the timing of camp closures and delays in the start of new contracted projects. The increase in the YTD Period is partly due to one time costs associated with the Australian acquisitions and business restructuring.

Also, the administrative costs associated with the International Business Unit are higher as a percentage of revenue than Black Diamond's more mature business in North America as the Company establishes a platform for anticipated future growth in Australia. Finally, the Company's normalized administration expenses as a percentage of revenue have increased slightly as a result of new programs to manage the ongoing growth of the business and personnel to address the risks and challenges of a larger business. As a result, the Company expects its normal run rate for administrative costs to be slightly higher than in previous years.

EBITDA (see "Non-IFRS Measures") for the Period was $33.1 million or 42% of revenue, versus $31.2 million or 42% for the Comparative Period. EBITDA for the YTD Period was $102.8 million or 43% of revenue, versus $84.1 million or 43% for the Comparative YTD Period.

Net income for the Period was $11.8 million compared to $13.0 million for the Comparative Period. Net income for the YTD Period was $39.6 million compared to $37.0 million for the Comparative YTD Period.

Black Diamond paid dividends of $0.06 per share per month in January and February of 2013, and paid dividends of $0.07 per share per month since March 2013, resulting in a payout ratio (see "Non-IFRS Measures") for the Period of 28% compared to 24% for the Comparative Period. The payout ratio for the YTD Period was 27% compared to 26% for the YTD Comparative Period.

OUTLOOK

Financial results for the third quarter of 2013 were in-line with management's expectations - moderately stronger than both the second quarter of 2013 and third quarter of 2012. As expected, the continued significant investment in the rental fleets has contributed to a 61% increase in rental revenue from the Comparative Period and an increase of 52% relative to the Comparative YTD Period.

Management's outlook is positive for the remainder of 2013 and 2014, due to the performance and continued growth of the rental platform, demand for Black Diamond's products and services, a robust sales platform and recently announced significant contract awards. Considerable increases in revenue and EBITDA are anticipated in both the Structures and Logistics Business Units as several large-scale, longer-term contracts come on-line to service resource development in western Canada. Within the Energy Services Business Unit, management expects increasing revenue and earnings for Q4 2013 and Q1 2014 due to the higher activity winter drilling season. Management expects the Australian financial results to be stable for the last quarter of 2013 as the business continues to establish itself by solidifying the support team and building both the brand and operations for growth.

To date, Black Diamond has committed substantially all of its previously announced $117 million 2013 capital budget, with spending focused primarily on remote, large scale infrastructure and resource related projects. The Company forecasts 2014 capital expenditures of approximately $100 million, which will be funded entirely out of operating cash flow. The Company's balance sheet continues to have significant capacity to meet current and anticipated market demand for fleet additions as well as potential strategic opportunities.

RESULTS OF OPERATIONS

Revenue

Consolidated

($ millions, except as noted)	Q3		YTD	
	2013	**2012**	**2013**	**2012**
	$	$	$	$
Revenue	78.1	74.9	240.2	195.8
Rental Revenue	37.9	23.6	113.9	75.0
% of Consolidated Revenue	49%	32%	48%	38%
Lodging Revenue	14.8	19.8	58.4	46.6
% of Consolidated Revenue	19%	26%	24%	24%
Non-Rental Revenue	25.4	31.5	67.9	74.2
% of Consolidated Revenue	32%	42%	28%	38%

There has been a significant increase in revenue for the nine months ended September 30, 2013 compared to the same period in 2012. This is reflective of the significant increase in the rental fleet which resulted from the growth of the modular accommodation and workspace units during 2013, the increase in the number of rooms operated under the Logistics platform, as well as the level of sales and operations associated with a larger fleet. Significant projects, such as the opening of the renovated and expanded Sunday Creek Lodge, have contributed to the large increase in revenues from the Comparative YTD Period. In addition, 2013 has seen the addition of revenue from the International Business Unit.

The $14.3 million increase in rental revenue from the Comparative Period was similarly driven by fleet growth, with a 20% increase in consolidated rental fleet leading to a 61% increase in rental revenue.

The $5.0 million decrease in Lodging revenue from the Comparative Period was largely due to one substantial full service camp winding down in Q2 2013 and delays in certain projects until Q4 2013 and Q1 2014.

Non-rental revenue decreased by $6.1 million or 19% in the Period relative to the Comparative Period, and decreased by $6.3 million or 8% in the YTD Period relative to the Comparative YTD Period. The decline was largely due to delays in a few significant projects as well as a decrease in custom and fleet sales.

RESULTS OF OPERATIONS (continued)

Structures Business Unit

($ millions, except as noted)	Q3		YTD	
	2013	**2012**	**2013**	**2012**
	$	$	$	$
Revenue	51.8	45.6	143.8	120.3
% of Consolidated Revenue	66%	61%	60%	61%
Rental Revenue	29.9	18.3	89.4	58.5
% of Structures Revenue	58%	40%	62%	49%
Non-Rental Revenue	21.9	27.3	54.4	61.8
% of Structures Revenue	42%	60%	38%	51%
EBITDA	29.5	21.9	86.2	59.5
% of Structures Revenue	57%	48%	60%	49%
Workforce accommodation utilization	85%	93%	89%	93%
Space rental fleet utilization	80%	75%	84%	75%

Revenue increased in the Period relative to the Comparative Period due to a 63% increase in rental revenue, primarily due to fleet growth. Non-rental revenue decreased in the Period relative to the Comparative Period due to a decline in the amount of operations associated with new project deployment in the quarter and decrease in custom and fleet sales.

Revenue increased in the YTD Period relative to the Comparative YTD Period primarily due to a 53% increase in rental revenue. The large increase is primarily due to rental of equipment in Logistics that is recognized in Structures. The increase in rental revenue in the YTD Period is also predominantly derived from the 12%, or 323 unit, increase in the workforce accommodation fleet since September 30, 2012, with average utilization remaining strong. In addition, during the YTD Period there was a 7%, or 222 unit, increase in the space rental fleet over the Comparative YTD Period. The average utilization of the space rental fleet increased 9% over the Comparative YTD Period. Rental rates remained strong in the current year.

The continued high levels of utilization are a reflection of the type of equipment Black Diamond deploys as well as the longer term nature of the rental contracts Black Diamond has favoured. The workforce accommodation units typically do not experience significant seasonality due to the longer term nature of the contracts on projects requiring larger complements of labour in remote areas, which tend to start and operate without regard to the time of year.

The significant increases in EBITDA margin for the Period and the YTD Period was a direct result of the relative increase of rental revenue versus other revenue streams compared to the relative comparative periods.

At September 30, 2013, the weighted average remaining contract rental term outstanding was approximately 11 months. Committed rental revenue from contracts in place was $127.9 million.

RESULTS OF OPERATIONS (continued)

Logistics Business Unit

($ millions, except as noted)	Q3		YTD	
	2013	**2012**	**2013**	**2012**
	$	$	$	$
Lodging Revenue	14.8	19.8	58.4	46.6
% of Consolidated Revenue	19%	26%	24%	24%
EBITDA	4.3	7.8	15.0	20.6
% of Logistics Revenue	29%	39%	26%	44%

Lodging revenue decreased by 25% in the Period relative to the Comparative Period. The decrease was in line with management's expectations with one substantial full service camp winding down in Q2 2013 and delays in certain projects until Q4 2013 and Q1 2014. This was partly offset by a full service camp added near the end of Q3 2013 and expansion of Sunday Creek Lodge which came on-line at the beginning of 2013.

Revenue increased by 25% in the YTD Period as a result of activity associated with several full service operated camps including the expanded Sunday Creek Lodge. The majority of camps saw full capacity early in 2013 with an associated increase in revenue due to higher bed counts at operated camps. There may be variability in revenue with respect to services related to daily occupancy levels in a given period.

EBITDA decreased over the Comparative Period due to lower revenue resulting from the mix of camps operated. Generally, daily rate camps have higher margins when compared with cost plus camps. During the Period, the ratio of daily rate camps to cost plus camps were lower when compared with the Comparative Period. The decrease in EBITDA margin over the Comparative YTD Period is due to the provision of a higher volume and proportion of lower margin services associated with operating the full service camps. Further, during the winding down of the camps there was a period of lower occupancy during which fixed costs put downward pressure on margins.

At September 30, 2013, Logistics had contracts in place to provide a minimum of $93.5 million of lodging service revenue for the camps it operates. This excludes the rental of equipment, which is reported in the Structures Business Unit.

RESULTS OF OPERATIONS (continued)

Energy Services Business Unit

($ millions, except as noted)	Q3		YTD	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Revenue	6.8	9.5	22.7	28.9
% of Consolidated Revenue	9%	13%	9%	15%
Rental Revenue	5.0	5.3	14.9	16.5
% of Energy Services Revenue	74%	56%	66%	57%
Non-Rental Revenue	1.8	4.2	7.8	12.4
% of Energy Services Revenue	26%	44%	34%	43%
EBITDA	2.5	3.6	8.6	11.5
% of Energy Services Revenue	37%	38%	38%	40%
Drilling Accommodation Utilization	65%	67%	67%	68%
Surface Rental Utilization	32%	46%	32%	44%

Revenue decreased by 28% over the Comparative Period and decreased 21% over the Comparative YTD Period, mostly due to lower market pricing and utilization of assets and reductions in non-rental revenue. Revenue tends to be more seasonal in the Energy Services Business Unit. Drilling accommodations and the surface rental assets typically have higher utilization rates during the winter months when drilling activity is greater and reduced utilization rates during the spring and summer months. Rental revenue decreased over the Comparative Period due to a reduction in pricing and lower demand for fluid storage tanks and associated equipment.

Non-rental revenue decreased in the Comparative Period due to less sublease activity.

The drilling accommodations fleet grew by 7% since September 30, 2012. This total includes drill camps as well as a complement of wellsite units, free standing sleepers and support units. The surface rental equipment fleet increased marginally from 2,328 to 2,330 units over the Comparative Period and Comparative YTD Period.

At September 30, 2013, the weighted average remaining contract rental term outstanding was approximately three months. Committed rental revenue from contracts in place was $2.6 million.

RESULTS OF OPERATIONS (continued)

International Business Unit

($ millions, except as noted)	Q3 2013	YTD 2013
	$	$
Revenue	4.7	15.3
% of Consolidated Revenue	6%	6%
Rental Revenue	3.0	9.6
% of International Revenue	64%	63%
Non-Rental Revenue	1.7	5.7
% of International Revenue	36%	37%
EBITDA	2.1	6.2
% of International Revenue	45%	41%
Workspace fleet utilization	81%	81%

In January 2013, the Company added the Australian Division to its International Business Unit.

The International fleet rental revenue in the Period was consistent with prior quarters on a local currency basis. The apparent decrease in reported rental revenue of $3.0 million for the Period compared to Q2 is due to the devaluation of the Australian dollar compared to the Canadian dollar upon conversion at average exchange rates.

Non-rental revenue of $1.7 million was 31% higher than Q2, reflecting higher revenue from catering and other services in the Period, notwithstanding currency movements.

Administrative expenses were lower in the Period compared to Q2 2013, primarily due to the non recurrence of a number of expenses. This contributed to EBITDA increasing by 19% in the Period.

Overall, the International Business Unit continues to perform in line with management's expectations at the time of acquisition.

The International Business Unit has added 1,124 workforce accommodation and space rental units year to date.

At September 30, 2013, the weighted average remaining contract rental term outstanding was approximately five months. Committed rental revenue from contracts in place was $5.0 million.

RESULTS OF OPERATIONS (continued)

Direct Costs and Gross Profit

($ millions, except as noted)	Q3		YTD	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Direct Costs	33.5	35.5	102.5	88.5
% of Consolidated Revenue	43%	47%	43%	45%
Gross Profit	44.7	39.4	137.7	107.3
% of Consolidated Revenue	57%	53%	57%	55%

The gross profit margin rose in respect of the comparative periods due to the increased amount of revenue generated from rental activity relative to other lower margin activities.

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

RESULTS OF OPERATIONS (continued)

Administrative Expenses

($ millions, except as noted)	Q3		YTD	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Administrative Expenses	12.6	9.2	38.1	25.5
% of Consolidated Revenue	16%	12%	16%	13%
Personnel	6.5	4.3	19.1	13.1
% of Administrative expenses	52%	47%	50%	51%
Occupancy & Insurance	1.5	1.2	4.5	3.3
% of Administrative expenses	12%	13%	12%	13%
Other Administrative Expenses	4.6	3.7	14.5	9.1
% of Administrative expenses	36%	40%	38%	36%

Administrative expenses increased 49% in the YTD Period over the Comparative YTD Period, predominately as a result of:

- one time legal and professional costs relating to the Australian acquisitions;
- one time costs relating to organizational restructuring; and
- a higher than normal administrative cost run rate in our International Business Unit as the Australian Division establishes the platform for anticipated future growth in that region.

In addition it should be noted the Company's normalized administrative expenses as a percentage of revenue have increased slightly as a result of new programs and resources to manage a rapidly growing business. As a result, Black Diamond expects its run rate for administrative costs to be slightly higher this year than in previous years.

Personnel costs increased 46% in the YTD Period and 51% in the Period as the Company continued to hire additional employees to accommodate the growing scale of the business. In addition, personnel costs were incurred in respect of the International Business Unit, which did not exist in the comparative periods. Personnel head count increased by 95 persons, which represents a 34% increase from the Comparative Period.

Insurance costs increased due to the size of the total fleet under management while occupancy costs have risen due to the rise in staff complement.

Other administrative expenses increased 59% in the YTD Period primarily due to legal and banking fees being incurred relating to the Australian acquisitions as well as optimization of the Company's organizational structure. Other administrative expenses including audit, legal, travel, meals and entertainment, bank charges, and promotional items increased in proportion to the size of the business.

RESULTS OF OPERATIONS (continued)

Administrative Expenses (continued)

Share based compensation included in the administrative expenses was determined using the Black-Scholes valuation method. The increase in share based compensation year-over-year is a result of the additional options outstanding during the Period. Share based compensation charges reported within other administrative expenses were $1.0 million for the Period compared with $1.0 million for the Comparative Period, and $2.9 million for the YTD Period compared with $2.4 million for the Comparative YTD Period.

RESULTS OF OPERATIONS (continued)

EBITDA

($ millions, except as noted)	Q3		YTD	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
EBITDA	33.1	31.2	102.8	84.2
% of Consolidated Revenue	42%	42%	43%	44%

The EBITDA percentage for the Period and the YTD Period were generally consistent with the comparative periods as a result of the higher gross margins generated due to the higher percentage of the business generated from rental activity which was partially offset by higher administrative expenses being incurred for the Period and the YTD Period.

Depreciation and Amortization

For the Period, the charge for depreciation and amortization was $12.9 million compared to $9.6 million in the Comparative Period. This included charges of $12.6 million with respect to depreciation taken on the property and equipment of Black Diamond, and $0.3 million relating to the amortization of the intangible assets. Depreciation and amortization for the Comparative Period was $9.4 million and $0.2 million, respectively.

For the YTD Period, the charge for depreciation and amortization was $36.9 million compared to $25.3 million in the Comparative YTD Period. This included charges of $35.8 million with respect to depreciation taken on the property and equipment of Black Diamond, and $1.1 million relating to the amortization of the intangible assets. Depreciation and amortization for the Comparative YTD Period was $24.6 million and $0.7 million, respectively.

Depreciation increased due to general fleet growth and addition of the International Business Unit in 2013. Amortization increased due to intangibles acquired in the Australia acquisitions.

Finance Costs

Finance costs for the Period were $2.1 million compared with $1.4 million in the Comparative Period. For the YTD Period, finance costs were $5.6 million compared to $4.1 million for the Comparative YTD Period. This increase represents interest that was charged on the utilization of the credit facilities and the interest charged on the senior secured notes outstanding. Average interest rates in the Period were 4.69% compared with 6.61% for the Comparative Period whereas the average interest rate for the YTD Period was 4.43% as compared to 6.45% for the Comparative YTD Period. Average long-term debt in the Period was $56.3 million higher than that in the Comparative Period.

RESULTS OF OPERATIONS (continued)

Income Taxes

For the Period, Black Diamond incurred a current income tax expense of $1.5 million (September 30, 2012 - $2.4 million) and provided a deferred income tax provision of $2.9 million (September 30, 2012 - $2.2 million).

For the YTD Period, Black Diamond incurred a current income tax expense of $8.0 million (September 30, 2012 - $7.1 million) and provided a deferred income tax provision of $6.4 million (September 30, 2012 - $5.6 million).

This deferred income tax has been calculated at the enacted tax rate of 25% in Canada, 40% in the United States and 30% in Australia.

At September 30, 2013, the deferred tax liability was $52.5 million compared to $44.8 million at December 31, 2012. The increase is due to the provision for deferred income taxes incurred in the YTD Period.

Non-controlling Interests

Earnings attributable to non-controlling interests were $0.8 million during the Period compared to $1.6 million in the Comparative Period. Earnings attributable to non-controlling interests were $3.1 million during the YTD Period compared to $2.6 million in the Comparative YTD Period.

The non-controlling interest represents earnings attributable to the Fort Nelson First Nation's approximate 50% interest in the Black Diamond Dene Limited Partnership, the West Moberly First Nation's approximate 50% interest in the Black Diamond West Moberly Limited Partnership, and the Beaver Lake Cree Nation's approximate 50% interest in the Black Diamond Nehiyawak Limited Partnership.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the last eight quarters:

(in $000's, except for per share amounts)

	Q3 2013	Q2 2013	Q1 2013	Q4 2012
	$	$	$	$
Revenue	78,144	71,071	90,980	68,442
EBITDA	33,050	29,209	40,526	27,941
Net Income	11,808	8,946	18,808	10,393
Per Share - Basic	$0.28	$0.21	$0.47	$0.25
Per Share - Diluted	$0.28	$0.21	$0.46	$0.24

	Q3 2012	Q2 2012	Q1 2012	Q4 2011
	$	$	$	$
Revenue	74,901	61,974	58,957	66,206
EBITDA	31,210	26,462	26,478	25,495
Net Income	12,982	10,976	13,043	10,688
Per Share - Basic	$0.32	$0.29	$0.35	$0.31
Per Share - Diluted	$0.32	$0.28	$0.34	$0.30

LIQUIDITY & CAPITAL RESOURCES

As of September 30, 2013, Black Diamond's principal sources of liquidity included:

- working capital of $74.9 million;
- a committed revolving operating facility in the amount of $15.0 million of which all $15.0 million is available and $6.7 million was drawn at September 30, 2013;
- a committed revolving capital expenditure facility of $130.0 million all of which is available and $59.8 million was drawn at September 30, 2013, including $9.8 million of letters of credit drawn against the facility;
- an operating facility in the United States in the amount of US$3.0 million all of which is available and $nil was drawn at September 30, 2013; and
- an operating facility in Australia in the amount of AU$5.0 million all of which is available and $nil was drawn at September 30, 2013.

Management believes that Black Diamond has the liquidity, barring any unforeseen circumstances, to continue to operate through 2013 and the foreseeable future, and pursue its planned business objectives. This is due to the longer term nature of Black Diamond's customer contracts and the credit worthiness of Black Diamond's customers.

LIQUIDITY & CAPITAL RESOURCES (continued)

Based on Black Diamond's current business plan and internal forecasts management believes that cash generated from operations will continue to exceed the funds required to pay dividends. Management believes that the ongoing cash generated from operations will be sufficient to allow it to meet ongoing requirements for working capital, maintenance costs, administrative expenses, interest costs, and fund capital expenditures. Black Diamond's cash generated from operations will be dependent upon future financial performance, which in turn will be subject to financial, business and other risk factors, including factors beyond Black Diamond's control. Management also believes that, dependent on capital market conditions, Black Diamond has the ability to raise additional debt or equity proceeds through the issuance of additional shares, if required.

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

Working Capital

The working capital position of Black Diamond at September 30, 2013 was $74.9 million, an increase of $39.7 million from the working capital position at December 31, 2012.

Current assets at September 30, 2013 were $105.5 million, an increase of $18.6 million from December 31, 2012. The increase was mostly due to an increase in accounts receivable of $7.4 million and an increase of $13.9 million to cash and cash equivalents, with a corresponding decrease in other assets of $2.7 million. The increased accounts receivable balance is due to an increase in revenues as well as receivables relating to contract arrangements with longer financing terms.The increase in cash and cash equivalents is due to increased revenues and excess cash from the International Business Unit and the Company's partnerships.

Current liabilities at September 30, 2013 were $30.6 million, a decrease of $21.0 million from December 31, 2012. The decrease is mainly due to a reduction of $12.2 million of accounts payable due to timing of payments, as well as a decrease of $8.5 million of current taxes relating to an $8.0 million payment of 2013 taxes.

Indebtedness

Black Diamond has established syndicated credit facilities with two Canadian chartered banks as follows: a committed revolving operating facility of $15.0 million and a committed revolving capital expenditure facility of $130.0 million. Draws on the operating and capital expenditure facilities are charged interest based on the previous quarter's funded debt to EBITDA ratio as defined in Black Diamond's credit agreement. As at September 30, 2013, the average interest rate applied to amounts drawn on both operating and capital expenditure facility was 3.95% (December 31, 2012 - 4.34%).

All facilities are 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 shares or equity interests of such material subsidiaries. The committed revolving operating facility matures on December 31, 2016; it is interest only until maturity and drawdowns may not exceed the sum of 75% of qualified Canadian accounts receivable and 60% of qualified US accounts receivable, in each case aged less than 90 days. The committed revolving capital expenditure facility is interest only payable monthly in arrears until December 31, 2015 and if the interest only period is not extended the facility, in aggregate, will be reduced beginning March 31, 2016 by equal quarterly reductions in an amount equal to 1/16th of the commitment on December 31, 2015. The facility may not exceed 60% of the net book value of tangible capital property and equipment less the principal and any accrued and unpaid interest on the senior secured notes of Black Diamond.

LIQUIDITY & CAPITAL RESOURCES (continued)

On July 7, 2011, Black Diamond completed the private placement of $62.0 million principal amount of senior secured notes, which rank pari passu with the senior credit facilities of the Company. These senior secured notes have an interest rate of 5.44% per annum and mature in 2019. Amortized repayments of the notes begin in 2015 with 1/5th of the principal repaid annually for the five years until 2019. Financial covenants and security for these notes are similar to those in respect of the syndicated credit facilities described above.

On July 3, 2013, Black Diamond completed the private placement of $40.0 million principal amount of senior secured notes, which rank pari passu with the senior credit facilities of the Company. These senior notes have an interest rate of 4.58% per annum and mature in 2022. Amortized repayment of the notes begins in 2020, with 1/3 of the principal repaid annually for three years until 2022.

Black Diamond's financial debt covenants are as follows:

Covenant as at September 30, 2013	Required	Actual
Current Ratio	≥ 1.25:1	3.50
Total Funded Debt to EBITDA	≤ 3.00:1	1.24
EBITDA to Interest Expense plus Dividends	≥ 2.00:1	3.21
Tangible Net Worth	> $290.0M	332.10

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

As at September 30, 2013, Black Diamond was in compliance with all financial debt covenants. Management continues to monitor compliance with its debt covenants carefully and believes that the Company will continue to be in compliance with its debt covenants for the foreseeable future.

Black Diamond, through an indirect wholly owned U.S. subsidiary, has a US $3.0 million committed revolving loan facility to fund working capital requirements in the United States. The facility bears interest at a rate of U.S. prime plus 1% subject to a 5% minimum rate. At September 30, 2013, the effective interest rate was 5%. Interest on drawings is to be paid monthly with any principal outstanding to be repaid upon the maturity date. The facility is secured by a corporate guarantee issued by Black Diamond Limited Partnership. At September 30, 2013, there was $nil drawn on the facility.

Black Diamond, through an indirect wholly owned Australian subsidiary, has a AU$5.0 million operating facility to fund working capital requirements in Australia. The facility bears interest at a rate of Australian Bank Bill Overdraft Rate plus 1.0%. At September 30, 2013, the effective interest rate was 3.61%. The facility is secured by a letter of credit issued by the Company's Canadian lenders. At September 30, 2013, there was AU$nil drawn on the facility.

Black Diamond also has a letter of credit of AU$5.2 million backing debt issued to the acquired company in conjunction with Black Diamond's purchase of its indirect 20% interest in APB Britco LP.

LIQUIDITY & CAPITAL RESOURCES (continued)

Share Capital

At September 30, 2013, Black Diamond had 41.98 million common shares outstanding. In addition at September 30, 2013, Black Diamond had 3.39 million common shares reserved for issuance pursuant to the exercise of options which have been granted pursuant to Black Diamond's share option plan.

The following table summarizes Black Diamond's capitalization as at November 6, 2013:

(expressed in thousands of shares)	
Common shares	41,977
Stock options	3,393

Capital Expenditures

Black Diamond's capital expenditures are mainly incurred for the following:

- Structures Business Unit - workforce accommodation structures, space rental structures and ancillary equipment;
- Logistics Business Unit - site improvements;
- Energy Services Business Unit - accommodation structures and surface rental equipment;
- International Business Unit - workforce accommodation and space rental structures in Australia; and
- Corporate - land, leasehold improvements, computers, furniture and service related equipment.

For the Period, Black Diamond expended $17.7 million (2012 – $49.4 million) on additions to property and equipment. The additions consisted of:

	2013	2012
Structures	16,424	43,121
Energy Services	339	3,938
Logistics	825	—
International	—	—
Corporate	120	2,348
	17,708	49,407

For the YTD Period, Black Diamond expended $59.2 million (2012 – $117.0 million) on additions to property and equipment. The additions consisted of:

	2013	2012
Structures	37,750	97,085
Energy Services	2,334	15,715
Logistics	5,042	—
International	10,963	—
Corporate	3,069	4,212
	59,158	117,012

LIQUIDITY & CAPITAL RESOURCES (continued)

Commitments

At September 30, 2013, Black Diamond had made capital expenditure commitments with key manufacturers of modular structures in the amount of $39.7 million for delivery of modular structures in the next six months. It is management's intention to meet the funding requirements for these commitments through internally generated cash flow.

FINANCIAL INSTRUMENTS

All of Black Diamond's financial instruments as at September 30, 2013 relate to standard working capital accounts, credit facility items and an interest rate swap. There are no significant differences between the carrying value of these financial instruments and their estimated fair values.

Black Diamond is subject to both cash flow and interest rate risk on its committed revolving capital expenditure facility and interest rate fair value risk on the senior secured notes based on their fixed rate of interest. The required cash flow to service the credit facilities will fluctuate as a result of changes in market interest rates. On April 20, 2010, Black Diamond entered into a swap transaction to fix the rate of interest at 3.63% plus the credit spread on a notional $25 million of debt for a five year period expiring on April 10, 2015.

NON-IFRS MEASURES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain supplementary information and measures not recognized under IFRS are provided where management believes they assist the reader in understanding Black Diamond's results. Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers for these non-IFRS measures. These measures include:

EBITDA refers to consolidated earnings before finance costs, tax expense, depreciation, amortization, accretion, foreign exchange, stock-based compensation, acquisition costs and non-controlling interest. Black Diamond uses EBITDA primarily as a measure of operating performance. Management believes that operating performance, as determined by EBITDA, is meaningful because it presents the performance of the operations on a basis which excludes the impact of how they have been financed.

NON-IFRS MEASURES (continued)

The following is a reconciliation of consolidated Net Income to EBITDA:

For the three months ended September 30,

(in thousands of dollars)	2013	2012	Change
	$	$	$
Net income	11,808	12,982	(1,174)
Add:			
Depreciation and amortization	12,980	9,631	3,349
Finance costs	2,096	1,441	655
Deferred income taxes	2,894	2,230	664
Current income taxes	1,536	2,377	(841)
Non-controlling interest	780	1,582	(802)
Share-based compensation	956	967	(11)
EBITDA	33,050	31,225	1,825

For the nine months ended September 30,

(in thousands of dollars)	2013	2012	Change
	$	$	$
Net income	39,562	37,001	2,561
Add:			
Depreciation and amortization	36,913	25,280	11,633
Finance costs	5,610	4,144	1,466
Deferred income taxes	6,414	5,622	792
Current income taxes	7,960	7,114	846
Non-controlling interest	3,114	2,564	550
Acquisition costs	300	—	300
Share-based compensation	2,912	2,423	489
EBITDA	102,785	84,148	18,637

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

NON-IFRS MEASURES (continued)

Funds available for dividends is calculated as the cash flow from operating activities excluding the changes in non-cash working capital adjusted for 1) maintenance capital expenditures made in the period, 2) funding of long-term unfunded contractual obligations arising from operations, and 3) restrictions on dividends arising from compliance with financial covenants at the date of the calculation. Growth capital expenditures are also excluded from this calculation. Management believes that funds available for dividends is a useful measure as it provides an indication of the funds generated by the operations before working capital adjustments. Changes in non-cash working capital items have been excluded as such changes are financed using the operating line of Black Diamond's credit facility. Funds not distributed are available for re-investment in the business and funding the growth of Black Diamond.

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

For the three months ended September 30, (in thousands of dollars)	**2013**	**2012**	**Change**
	$	**$**	**$**
Cash Flow from Operating Activities	20,619	25,251	(4,632)
Add/(Deduct):			
Book value of used fleet sales to operating activities	(6,179)	(1,968)	(4,211)
Reclassification of trade receivables to long-term	407	4,504	(4,097)
Changes in non-cash working capital	16,589	1,046	15,543
Funds available for dividends	31,436	28,833	2,603

For the nine months ended September 30, (in thousands of dollars)	**2013**	**2012**	**Change**
	$	**$**	**$**
Cash Flow from Operating Activities	80,284	68,491	11,793
Add/(Deduct):			
Book value of used fleet sales to operating activities	(8,323)	(5,426)	(2,897)
Reclassification of trade receivables to long-term	(1,685)	4,504	(6,189)
Changes in non-cash working capital	24,171	9,465	14,706
Funds available for dividends	94,447	77,034	17,413

Gross Profit is calculated as revenue less direct costs.
Gross Profit Margin is calculated by dividing Gross Profit by the revenue for the Period.
Payout Ratio is calculated as the dividends declared for the Period divided by Funds available for dividends.
Working Capital is calculated as current assets minus current liabilities.

Readers are cautioned that Non-IFRS measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of Black Diamond's performance or cash flows, a measure of liquidity or as a measure of actual return on the shares of Black Diamond. These Non-IFRS measures should only be used in conjunction with the consolidated financial statements of Black Diamond.

RISKS AND UNCERTAINTIES

The operations of Black Diamond face a number of risks and uncertainties in the normal course of business which could have a material adverse effect on Black Diamond's financial condition, results of operations and cash flow, and therefore on cash available for dividends. Many of these risk factors and uncertainties are outlined in the annual information form of Black Diamond for the year ended December 31, 2012 available on SEDAR at www.sedar.com. Additional risks and uncertainties that management may be unaware of may become important factors which affect Black Diamond.

DISCLOSURE CONTROLS AND PROCEDURES

Black Diamond's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to Black Diamond is made known to Black Diamond's Chief Executive Officer and Chief Financial Officer by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by Black Diamond in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

Black Diamond is required to disclose herein any change in Black Diamond's internal controls over financial reporting that occurred during the period beginning on July 1, 2013 and ended on September 30, 2013 that has materially affected, or is reasonably likely to materially affect, Black Diamond's internal controls over financial reporting. No material changes in Black Diamond's internal controls over financial reporting were identified during such period that have materially affected, or are reasonably likely to materially affect Black Diamond's internal controls over financial reporting.

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

Additional information relating to Black Diamond, including Black Diamond's annual information form for the year ended December 31, 2012, is available on SEDAR at www.sedar.com.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS & ESTIMATES

Changes in Business Reporting Structure

Black Diamond changed the basis of its business unit structure for reporting purposes beginning in the 2013 fiscal year to four reportable segments: Structures, Logistics, Energy Services and International. Previously, the reportable segments were disclosed as Camps, Logistics, BOXX Modular and Energy Services. The change had an impact on the segment information reported but did not change the aggregate financial information reported for Black Diamond. To enable users to understand the changes and to assess trends, prior period segment information included in the financial statements and this MD&A for comparative purposes, was restated to reflect the new business structure.

Judgments and Estimates

The nature of the business and timely preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions, and use judgment regarding assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions, collectability of accounts receivable, recognition of provisions and contingent obligations, the estimated useful lives of property and equipment, the fair value of the identifiable assets acquired in business combinations, the fair value and useful lives of intangible assets for the purposes of impairment, percentage complete for revenue recognition, the fair value of share-based compensation awards and the future cash flows used to estimate the fair value of cash-generating units for goodwill impairment purposes. Accordingly, actual results may differ from estimated amounts. Management has also used judgment in the determination of control, definition of a business, determination of cash generating units, effectiveness of hedging relationships and determination of functional currency.

While management applies judgment based on assumptions believed to be reasonable in the circumstances, actual results can vary from these assumptions. It is possible that materially different results would be reported using different assumptions.