

## **Black Diamond Group Limited Divests Construction Services Operation to Increase Flexibility and Strengthen Focus on Core Rental Offerings**

**Calgary, Alberta, July 15, 2015** - Black Diamond Group Limited (“Black Diamond” or the “Company”) (TSX: BDI), a leading provider of workforce accommodation and modular workspace solutions, today announced its binding agreement to sell Black Diamond’s Construction Services Operation to Northern Frontier Corp. (“Northern Frontier”) (TSX-V: FFF) for total consideration of \$9.8 million (the “Transaction”). Consideration for the Transaction includes \$2.4 million in Northern Frontier stock, \$1.3 million in pre-paid rent for the lease of land (upon completion of title transfer of such land to Northern Frontier), a vendor take back loan of \$7.4 million (decreased by the value of the lease upon its execution) due October 31, 2018 bearing interest at 10% per annum paid quarterly, and a potential earn out of \$11.6 million which could increase total consideration to \$21.4 million based upon average annual revenues.

“The core of our business has always been to own workforce accommodation and modular workspace assets, to rent these assets to our customers, and to contract support services, such as construction, to third parties,” said Trevor Haynes, Chairman and CEO of Black Diamond. “Outsourcing support services like construction gives us better control over our costs and overhead, and is part of a broader initiative to adjust Black Diamond’s costs to the current business environment. Given current market conditions it makes sense to sell this operation to Northern Frontier who are in a better position to manage this team going forward.”

Black Diamond’s Construction Services Operation installs and dismantles remote workforce lodging, modular offices and carries out related tasks in the Western Canadian marketplace. The operation is primarily run out of Edmonton, Alberta.

The Transaction is expected to benefit Black Diamond by reducing construction related risks through fixed price contracting of construction services, and is not expected to have an adverse impact on EBITDA. As part of the Transaction, Black Diamond shall enter into a multi-year service agreement which provides Northern Frontier with the right of first refusal on future construction projects.

The sale of Black Diamond’s Construction Services Operation is expected to be accretive to both parties and will transfer only a nominal amount of capital assets.

The Transaction, which is expected to close on or about July 31, 2015, is subject to the receipt of customary third party consents and regulatory approvals, including approval from Northern Frontier’s senior secured lenders and the TSX Venture Exchange.

### **Forward-Looking Statements**

Certain information in this news release contains forward-looking statements including the vendor take back loan, the potential earn out, impact of the Transaction on EBITDA and the closing date of the Transaction. With respect to the forward-looking statements contained in this news release, 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, that there will be no unforeseen material delays in contracted projects and the receipt of all regulatory approval for the Transaction. Although Black Diamond believes that the expectations reflected in the forward-looking statements contained in this news release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no

assurance that such expectations or assumptions will prove to be correct. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Black Diamond's control including, without limitation, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of exchange rates, environmental risks, 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. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the forgoing list of factors is not 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 Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) and at Black Diamond's website ([www.blackdiamondgroup.com](http://www.blackdiamondgroup.com)). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Black Diamond does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

### **About Black Diamond**

Black Diamond rents and sells portable workforce accommodation and work space solutions to business customers in Canada, the United States and Australia. We also provide specialized field rentals to the oil and gas industries of Canada and the United States. In addition, we provide turnkey lodging services, as well as a host of related services that include transportation, installation, dismantling, repairs, maintenance and ancillary field equipment rentals. From twenty locations around the world, we serve multiple sectors including oil and gas, mining, power, construction, engineering, military, government and education.

### **About Northern Frontier Corp.**

Northern Frontier's strategic objective is to create a large industrial and environmental services business through a buy and build growth strategy. Currently, the Corporation provides civil construction and excavation services to the industrial industry, primarily in the in situ Oilsands region south of Fort McMurray, Alberta and bulk water and fluids transfer logistic services in western Canada.

The Corporation's common shares and common share purchase warrants are listed on the TSX Venture Exchange under the trading symbol "FFF", "FFF.WT" and "FFF.WT.A", respectively.

For investor and media inquiries please contact Tom McMillan at 403-718-0948 or [tmcmillan@blackdiamondgroup.com](mailto:tmcmillan@blackdiamondgroup.com). To sign up for news alerts please go to <http://bit.ly/BDI-News> or visit [www.blackdiamondgroup.com](http://www.blackdiamondgroup.com).