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BLACK DIAMOND GROUP COMPLETES STRATEGIC ACQUISITION
*ACQUIRES BRITCO RENTAL BUSINESS FROM WESTERNONE INC, ENTERS INTO \$29 MILLION BOUGHT
DEAL EQUITY FINANCING AND AMENDS CREDIT FACILITIES*

Calgary, Alberta, (Marketwired - March 6, 2017)

Black Diamond Group Limited (“Black Diamond” or the “Company”) (TSX: BDI), a leading provider of modular work space solutions and workforce accommodations in Canada, United States and Australia, is pleased to announce it has completed the acquisition of the modular workspace rental fleet and related assets, including the Britco brand, from Britco LP, a wholly-owned subsidiary of WesternOne Inc. (the “Transaction”). Black Diamond has not acquired the modular manufacturing business of WesternOne Inc. The Transaction is expected to give Black Diamond a leading position in the British Columbia work space solutions market, and provide additional size and scale to the Company’s existing BOXX Modular operations. Black Diamond will now operate over 2,000 rental units from five key locations throughout the province of British Columbia.

"This acquisition of Britco’s modular workspace rental fleet and related assets serves to further diversify our business, expands our customer base and footprint in British Columbia and positions us for future infrastructure projects in the province," said Trevor Haynes, Chairman and CEO of Black Diamond Group. "We will leverage the strong brand that Britco represents in this marketplace and are excited to play a meaningful role in British Columbia and its communities, including First Nations."

The Business

Founded in 1977, Britco has the largest fleet of modular buildings in British Columbia– including site offices, mobile offices, office complexes, classrooms, sales centres, first aid buildings, mobile washroom facilities and container solutions for storage. Britco has a diverse customer base and stable revenue stream, with utilization rates averaging 75% over the last three years.

Summary of Transaction

This is a strategic transaction for Black Diamond to acquire all of the assets pertaining to and currently used in Britco rentals, for cash consideration of approximately \$41 million, subject to customary adjustments. The Transaction includes all of Britco’s 1,896 rental fleet assets, working capital in the amount of approximately \$1,175,000, nearly 1,000 existing customer contracts, nine strategic First Nations partnerships, and the transfer of all key personnel to ensure the seamless transition of Britco operations to Black Diamond. The Company will not be assuming long term liabilities or debt obligations other than real estate leases for the five operating locations. The Transaction has an effective date of March 1, 2017. The Company intends to continue operating as Britco in this marketplace.

Peters & Co. Limited acted as financial advisor to Black Diamond in connection with the Transaction.

Strategic Rationale

The Transaction is expected to:

- Provide immediate accretion on a cash flow per share basis;

- Further diversify Black Diamond by continuing to scale its non-resource business lines and expand its customer base;
- Increase Black Diamond's future cash flow stability;
- Position Black Diamond as the largest modular workspace and modular rental provider in British Columbia;
- Strengthen Black Diamond's position in future British Columbia infrastructure projects; and
- Allow Black Diamond to access new customers through the expanded British Columbia footprint, which includes operating locations in Vancouver, Nanaimo, Prince Rupert, Fort St. John and Kelowna.

Pro-Forma Summary of the Transaction

Black Diamond's BOXX Modular business unit is expected to have the following characteristics after giving effect to the Transaction:

- With the trailing \$6.5 million of Adjusted EBITDA from the Transaction, normalized for approximately \$500,000 of synergies, BOXX Modular will represent over 40% of the Black Diamond EDITDA on a trailing basis; and
- Largest work space solutions and modular rental provider operating in British Columbia with the most diverse fleet of over 2,000 assets to meet a wide variety of customer needs;
- One of the largest modular work space solutions and modular unit operators in Canada; and
- Five key operating locations in British Columbia, bringing the total number of BOXX Modular locations to 17 throughout Canada and the United States.

With the completion of the Transaction, Black Diamond's 2017 Adjusted EBITDA guidance increases to a range of \$35 million to \$45 million.

Bought Deal Equity Financing

The purchase price for the Transaction has been funded through the drawdown of available liquidity accessible under the Company's current lending facilities.

Concurrent with closing of the Transaction, Black Diamond has entered into an agreement to sell 7,733,333 common shares ("Shares") on a bought deal basis at a price of \$3.75 per Share to a syndicate of underwriters (the "Underwriters"), co-led by Raymond James Ltd. and Peters & Co. Limited for gross proceeds of approximately \$29,000,000 (the "Offering"). In addition, Black Diamond has granted the Underwriters an over-allotment option, exercisable for a period of 30 days following closing of the Offering to purchase up to an additional 773,333 Shares which, if exercised, would increase the gross offering size to approximately \$31,900,000 to cover over-allotments, if any, and for market stabilization purposes. The Offering is expected to close on or about March 27, 2017, and is subject to certain customary conditions, including the approval of applicable securities regulatory authorities and the Toronto Stock Exchange.

The net proceeds of the Offering are expected to be used to repay the debt drawn to fund the purchase price of the Transaction.

The Offering will be completed by way of short form prospectus in all provinces of Canada, except Quebec, and on a private placement basis in the United States pursuant to exemptions from the registration requirements of the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act").

The securities to be offered have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States absent registration or absent an applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States, nor shall there be any offer or sale of any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Sale of Non-Core Real Estate Properties

Black Diamond has entered into a definitive agreement with a third party for the sale and leaseback of certain real estate properties for proceeds of approximately \$11 million, subject to certain customary adjustments. The transaction is expected to close by March 30, 2017.

The Company expects to use the proceeds of the sale to repay debt drawn to fund the purchase price of the Transaction.

Amendment to Credit Agreements

Although not required to complete the Transaction or support the dividend, further to its press release on February 27, 2017, Black Diamond has agreed to terms with its lenders to enhance its credit arrangements. These enhancements are intended to provide the borrowing capacity and flexibility to support further growth in the BOXX Modular business unit. Specifically, Black Diamond has reached agreement with its lenders to amend its credit facility, due in April 2019, and its senior secured notes, with maturities in July 2019 and July 2022. The primary amendments to these debt agreements include:

- An increase in the funded debt-to-Adjusted EBITDA covenant from a maximum of 3.00:1.00 to the following: 4.50:1.00 for Q1 and Q2 2017; 4.25:1.00 for Q3 and Q4 2017; 4.00:1.00 for Q1 2018; 3.75:1.00 for Q2 2018; 3.25:1.00 for Q3 2018; and back to its existing level of 3.00:1.00 thereafter as the Company approaches renewal in April 2019;
- Relaxed restrictions on distributions, such that the annualized current quarter cash distributions cannot exceed trailing twelve month Adjusted EBITDA less non-controlling interest, adjusted for acquisitions or disposals, less current income tax expense, less interest expense, less capital lease payments, less \$10 million (previously less \$20 million);
- A further amendment to the distribution restriction such that distributions can be paid when funded debt-to-Adjusted EBITDA for the business is below 4.00:1.00 until the end of Q3 2017 and 3.50:1.00 thereafter;
- Black Diamond has reduced the available borrowing capacity from \$168 million to \$100 million under the credit facility in order to appropriately size the facility for expected needs during this period and to also eliminate standby fees of approximately \$780,000 on unused credit for 2017 through to 2019; and
- A reduction of the accordion feature associated with the credit facility from \$100 million to \$50 million.

In consideration of the above amendments, the senior secured notes due in July 2019 and July 2022 will have a 0.50% increase in interest rate from 5.44% to 5.94% and from 4.58% to 5.08%, respectively. The interest rate for the senior secured notes shall increase a further 0.50% if Black Diamond's debt-to-EBITDA exceeds 3.50:1.00. The above noted amendments have received credit committee approval from the applicable lenders and are subject only to the finalization of definitive documentation to effect such amendments.

Reader Advisory

Forward-Looking Statements

Certain information in this news release contains forward-looking statements including Management's assessment of the effect of the Transaction on Black Diamond, the strategic rationale for the Transaction, the EBITDA that Black Diamond expects to realize as a result of the Transaction, the Adjusted EBITDA guidance for 2017, the assessment of Black Diamond's future operations, business prospects and opportunities, Management's future expectations regarding the financial performance of the Company and its business units, the timing and completion of the proposed Offering, the expected use of proceeds of the Offering, the timing and completion of the real estate sale and leaseback and the implementation of the amendments to the Company's existing debt arrangements. With respect to the forward-looking statements contained in this news release, Black Diamond has made assumptions, regarding among other things: future commodity prices, 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 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 foregoing 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) and at Black Diamond's website (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.

Non-GAAP Measures

In this news release the terms EBITDA and Adjusted EBITDA have been referenced. Adjusted EBITDA refers to consolidated earnings before finance costs, tax expense, depreciation, amortization, accretion, foreign exchange, stock-based compensation, acquisition costs, non-controlling interests, gain on sale of construction services operation, share of loss of an associate, write-down of property and equipment, and impairment of goodwill. Readers are cautioned that this measure is not defined under International Financial Reporting Standards ("IFRS"). 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 the Company's performance or cash flows, a measure of liquidity or as a measure of actual return on the

common shares of the Company. Non-IFRS measures should only be used in conjunction with the consolidated financial statements of the Company.

About Black Diamond

Black Diamond Group provides workforce accommodation, modular buildings, energy services, and full turnkey lodging and major project solutions including planning and management, logistics, and catering to customers in Canada, the United States and Australia. We serve diverse sectors including oil and gas, mining, power, construction, engineering, military, government, and education.

Black Diamond has four core business units: Black Diamond Camps & Lodging, BOXX Modular, Black Diamond Energy Services and Black Diamond International. Learn more at www.blackdiamondgroup.com.

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