

Black Diamond Group Announces New \$200 Million Asset-Based Credit Facility

Calgary, Alberta, October 28, 2019 - Black Diamond Group Limited ("Black Diamond" or "the Company") (TSX: BDI) announced today that the Company has agreed to terms with respect to a four-year secured asset-based revolving credit facility ("Facility"). The Facility is expected to close within the next week and is subject to customary closing conditions. The lending syndicate for the Facility is co-lead by The Bank of Nova Scotia and Bank of Montreal with a maximum \$200 million revolving line, plus an uncommitted \$50 million accordion.

The Facility will replace the Company's current debt which, as at June 30, 2019 consisted of \$44 million of privately placed Senior Secured Notes and a \$100 million credit facility, of which \$50 million was drawn. Based on current market rates and the Company's financial position, Black Diamond expects effective annual interest rate savings in the range of 150 to 200 basis points, excluding any one-time costs. The borrowing base, or available amount at any given time under the Facility is based on 85 - 90% of the Net Orderly Liquidation Value ("NOLV") of eligible rental fleet and qualified receivables, up to \$200 million. The borrowing base at close will be \$172 million, representing available liquidity or excess capacity under the Facility at approximately \$80 million.

With respect to financial covenants, the Company will be required to maintain a Fixed Charge Coverage Ratio ("FCCR") of 1.1 to 1; however, this covenant is only tested in certain instances, such as when draws under the Facility exceed 90% of the borrowing base.

As part of the Facility setup process, an independent third-party appraisal of the Company's U.S. and Canadian Modular Space Solutions ("MSS") and U.S. Energy Services assets was commissioned. These assets were appraised with a NOLV of slightly above \$180 million, which is approximately equal to the current net book value of these assets on the Company's balance sheet. The appraised assets account for approximately half of Black Diamond's capital assets by net book value.

"With a committed facility through to October 2023, we are taking advantage of our strong financial position to increase our liquidity, while reducing interest costs," said Toby LaBrie, Chief Financial Officer for Black Diamond. "By leveraging the intrinsic value of our high-quality fleet of assets, this type of financing is a highly flexible and cost-effective method to support the growth of our diversified MSS business."

The Company's 2019 gross capital plan of \$35 million is unchanged, with approximately \$25 to \$30 million projected for growth in MSS. In the first half of 2019, the Company grew the MSS fleet by 5.4% or 313 net rental units and we continue to work towards our objective of growing the fleet by approximately 10% per year over the next several years. The Company's capital plan is expected to continue to be substantially funded from internally generated cash flow. Accordingly, the Company continues to expect its balance sheet to be conservatively capitalized, with a meaningful amount of asset coverage provided by marketable fleet and receivables. As a percentage of the Company's net book value of fleet assets ("NBV"), the fully committed facility represents 60% of NBV, while the current debt outstanding represents 28% of NBV. While there is no specific debt to trailing EBITDA covenant within the Facility agreement, Management believes that a ratio with a long-term range of 2.0x to 3.0x is prudent, sustainable and compares conservatively with specialty rental company peer group ranges.

"The new Facility will allow Black Diamond to consider organic growth projects as well as small tuck-in acquisitions," commented Trevor Haynes, Black Diamond's CEO. "We are fully committed to deliver balanced and profitable growth while continuing to diversify our platform. As a result of our geographic and product diversification efforts, approximately 60% to 70% of the Company's consolidated revenue was generated from outside of the western Canadian energy sector in 2018 and through the first half of 2019. We believe the Facility

represents a significant milestone in Black Diamond's continued evolution and is a key component in delivering on the Company's long-range vision and strategy."

About Black Diamond Group

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

Learn more at www.blackdiamondgroup.com.

For investor inquiries, please contact Jason Zhang at 403-206-4739 or investor@blackdiamondgroup.com

To sign up for news alerts please go to <https://www.blackdiamondgroup.com/investor-centre/news-alerts-subscription/>.

Forward-Looking Statements

Certain information set forth in this news release contains forward-looking statements including, but not limited to, timing of closing of the transaction, the amount of funds that will be expended on the 2019 capital plan, how such capital will be expended, anticipated debt levels, the size of the Company's borrowing base and resulting liquidity under the Facility, management's assessment of Black Diamond's future operations and what may have an impact on them, financial performance, business prospects and opportunities, changing operating environment including increased activity levels, amount of revenue anticipated to be derived from current contracts, economic life of the Company's assets, future growth and profitability of the Company and realization of the anticipated benefits of acquisitions and sales. With respect to the forward-looking statements in the 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 counter-parties 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 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, the Company's ability to attract new customers, failure of counterparties to perform on contracts, industry competition, availability of qualified personnel and management, timely and cost effective access to sufficient capital from internal and external sources, political conditions, dependence on suppliers and stock market volatility. 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 for the year ended December 31, 2018 and other reports on file with the Canadian Securities Regulatory Authorities which can be accessed on SEDAR. Readers are cautioned not to place undue reliance on these forward-looking statements. 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 or revise any of the forward-looking statements, except as may be required by applicable securities laws.