Supremex

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2015

The following management's discussion and analysis of financial condition and results of operations ("MD&A"), dated February 17, 2016, of Supremex Inc. (the "Company") should be read together with the accompanying audited consolidated financial statements and related notes of the Company for the year ended December 31, 2015. These consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The fiscal year of the Company ends on December 31. The Company's reporting currency is the Canadian dollar. Per share amounts are calculated using the weighted average number of shares outstanding for the three and twelve-month periods ended December 31, 2015.

This MD&A contains forward-looking information. Please see "Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions relating to these statements. In addition to our results reported in accordance with IFRS, the MD&A may contain other non-IFRS financial measures. Terms by which non-IFRS financial measures are identified include, but are not limited to, "EBITDA" or other similar expressions. Non-IFRS financial measures are used to provide management and investors with additional measures of performance. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and therefore may not be directly comparable to similar measures used by other companies and should not be viewed as alternatives to measures of financial performance prepared in accordance with IFRS. See "Definition of EBITDA and Non-IFRS Measures" and "Selected Consolidated Financial Information" for the reconciliation of EBITDA to net earnings.

Overview

Supremex is a leading North American manufacturer and marketer of a broad range of stock and custom envelopes and a growing provider of packaging and specialty products. Supremex is the only national envelope manufacturer in Canada, with facilities across seven provinces and two facilities in the United States and employs approximately 650 people. Supremex' growing footprint allows it to efficiently manufacture and distribute products tailored to the specifications of major corporations, national resellers, government entities, as well as paper merchants, statement processors and solutions providers.

2015 Highlights and Overall Performance

Key Events:

On October 7, 2015, Supremex Inc. announced it entered into a Five-Year Committed $50 million Senior Secured Revolving Facility Agreement with Bank of Montreal (the "Facility"). This Facility replaced Supremex' existing three-year $15 million facility and $25 million non-revolving term loan and expands the Company's borrowing flexibility with slightly improved rates. The Five-Year Senior Secured Revolving Facility has no scheduled principal repayments prior to maturity and the Facility contains customary representations, warranties and covenants.

On October 8, 2015, Supremex acquired all of the outstanding shares of Classic Envelope Inc. a manufacturer and printer of envelopes based in Massachusetts and serving the greater Boston and New York City areas. Classic generated approximately $12 million USD in annual revenues from the sale of stock and custom envelopes and letterhead, primarily through various re-sale channels.

On December 1, 2015, Supremex Inc. announced it acquired substantially all of the assets of Premier Envelope Ltd. and affiliated operating entities, an established manufacturer of stock and custom envelopes, principally operating in Western Canada. Premier Envelope Ltd. generated approximately $12 million CAD in annual revenues from the sale of stock and custom envelopes, both directly and through a network of distributors, to financial institutions, large and small businesses, government organizations, commercial printers and mailing houses, primarily located in Western Canada.

Fourth Quarter Performance Highlights:

Revenue in the fourth quarter of 2015 amounted to $41.3 million compared with $35.1 million in the fourth quarter of 2014, up by $6.2 million or 17.6%. This increase is mainly attributable to Supremex' growing footprint in the U.S. envelope market, with a large contribution from the newly acquired Classic Envelope Inc. and the Company's existing Buffalo operations. Overall, this market reached $9.1 million up 129.4% from the fourth quarter of 2014, on an increase of 81.5% in the volume of units sold and higher average selling prices on product mix and strength of the USD. Revenues from the Canadian envelope market was positively affected by the recent acquisition of Premier Envelope and reached $29.0 million, up by 2.4%. Higher average selling price necessitated by increased raw material costs compensated for a decrease of 1.8% in the volume of units sold. Sales of packaging and specialty products also contributed to this quarter's revenue growth with an increase in revenue of 13.0%, reaching $3.1 million.

Net earnings in the fourth quarter of 2015 amounted to $3.8 million or $0.13 per share, compared with 2.7 million or $0.09 per share for the corresponding period of last year, an increase of $1.1 million or 39.5%. The Company's growing focus on the U.S. market and its operational discipline contributed to this performance.

Fiscal Year Performance Highlights:

Revenue for the year ended December 31, 2015 grew to $142.3 million compared to $131.9 million in the same period of last year, an increase of $10.4 million or 7.9%. This year's performance was mostly driven by solid performance in the U.S. envelope market, with a strong contribution from the existing Buffalo operations and from the Classic Envelope acquisition, which was concluded early in the fourth quarter of 2015. Revenues from the U.S. envelope market reached $25.0 million up 69.5% from $14.8 million, on a 45.4% increase in the number of units sold and higher average selling prices in USD resulting from changes in the product mix and strengthening of the USD. Revenues from packaging and specialty products also increased, reaching $10.5 million, up 6.7% over last year. Revenues from the Canadian envelope market, including the contribution from the Premier Envelope acquisition, stood at $106.8 million down 0.5% over last year, on a 3.6% reduction in volume, which was mitigated by higher average selling prices resulting from increased costs of raw material.

Net earnings for year 2015 amounted to $15.9 million or $0.55 per share, compared to $11.0 million or $0.38 per share in fiscal 2014. Efforts to grow into the U.S. envelope market both organically and through the acquisition of Classic Envelope Inc. were key growth drivers in 2015. The increased focus on expanding the Company's value-added packaging and specialty products offering and constant focus on operational discipline also contributed to these results. The $5.0 million pre-tax non-cash gains resulting from amendments to the defined benefit pension plans and post-retirement benefits plan also helped improve net earnings.

Declaration of Dividend:

On February 17, 2016, the Board of Directors declared a quarterly dividend of $0.055 per common share, payable on April 14, 2016 to shareholders of record at the close of business on March 31, 2016.

Reconciliation from Net Earnings to EBITDA and to Adjusted EBITDA

(In thousands of dollars)

	Three-month periods ended		Twelve-month periods ended	
	Dec. 31, 2015	**Dec. 31 2014**	**Dec. 31, 2015**	**Dec. 31, 2014**
	$	$	**$**	$
Net Earnings	**3,804**	2,728	**15,931**	11,047
Income tax expense	**1,407**	1,080	**5,877**	4,101
Financing charges, net	**181**	223	**966**	1,334
Amortization of property, plant and equipment	**1,153**	925	**4,111**	3,567
Amortization of intangible assets	**1,588**	1,541	**6,211**	6,164
(Gain) loss on disposal of property, plant and equipment	**(26)**	—	**(7)**	6
EBITDA [1]	**8,107**	6,497	**33,089**	26,219
Adjustments				
Less: Gain on pension plans' amendments	—	—	**(4,341)**	(264)
Less: Gain on post-retirement benefits plans amendment	—	—	**(614)**	—
Plus: Claim settlement expense	—	665	—	665
Adjusted EBITDA [1]	**8,107**	7,162	**28,134**	26,620

[1] See "Definition of EBITDA." EBITDA (or Adjusted EBITDA) is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. EBITDA (or Adjusted EBITDA) may not be comparable to similar measures presented by other issuers.

Summary of quarterly operating results from January 1, 2014 to December 31, 2015

(In thousands of dollars, except for per share amounts)

	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	Mar. 31, 2014
	$	$	$	$	$	$	$	$
Revenue	**41,287**	32,435	33,868	34,708	35,097	32,241	30,634	33,916
Adjusted EBITDA [1]	**8,107**	6,586	6,430	7,011	7,162	6,296	5,816	7,345
Earnings before income taxes	**5,211**	3,824	7,568	5,204	3,808	3,638	3,101	4,601
Net earnings	**3,804**	2,771	5,552	3,804	2,728	2,621	2,330	3,368
Net earnings per share	**0.13**	0.10	0.19	0.13	0.09	0.09	0.08	0.12

[1] See "Definition of EBITDA or Adjusted EBITDA"

Supremex' revenue is subject to the seasonal advertising and mailing patterns of its customers. The number of units sold by Supremex is generally higher during fall and winter mainly due to the higher number of mailings related to events including the return to school, fund-raising, the holidays and tax seasons. The number of units sold by Supremex is generally lower during spring and summer in anticipation of a slowdown in mailing activities of businesses during the summer. As a result, Supremex' revenue and financial performance for any single quarter may not be indicative of revenue and financial performance which may be expected for the full year. To maintain production efficiencies, Supremex uses warehouse capabilities to stock envelopes as required and thereby counter predictable seasonal variations in sales volume.

Selected Consolidated Financial Information

(In thousands of dollars, except for per share amounts)

	Three-month periods ended December 31,			Twelve-month periods ended December 31,		
	2015	**2014**	**2013**	**2015**	**2014**	**2013**
		$	**$**		**$**	**$**
Revenue	**41,287**	35,097	33,583	**142,298**	131,888	128,966
Operating expenses [(1)]	**28,649**	23,659	22,561	**93,893**	88,723	85,259
Selling, general and administrative expenses[(1)]	**4,531**	4,941	4,308	**15,316**	16,946	15,728
EBITDA [(1) (2)]	**8,107**	6,497	6,714	**33,089**	26,219	27,979
Amortization of property, plant and equipment	**1,153**	925	875	**4,111**	3,567	3,575
Amortization of intangible assets	**1,588**	1,541	1,541	**6,211**	6,164	6,164
(Gain) loss on disposal of property, plant and equipment	**(26)**	—	15	**(7)**	6	(58)
Operating earnings	**5,392**	4,031	4,283	**22,774**	16,482	18,298
Financing charges, net	**181**	223	735	**966**	1,334	2,854
Earnings before income taxes	**5,211**	3,808	3,548	**21,808**	15,148	15,444
Income taxes expenses	**1,407**	1,080	811	**5,877**	4,101	3,913
Net earnings	**3,804**	2,728	2,737	**15,931**	11,047	11,531
Basic and diluted net earnings per share	**0.13**	0.09	0.09	**0.55**	0.38	0.40
Dividend paid per share	**0.05**	0.045	0.04	**0.20**	0.165	0.13

	As at December 31,		
	2015	**2014**	**2013**
	$	**$**	**$**
Total assets	**125,166**	109,792	126,754
Secured credit facility, net of cash	**25,140**	22,042	36,077

(1) Includes gains on pension plans and post-retirement plans amendments. See “Reconciliation from Net Earnings to EBITDA and to Adjusted EBITDA”

(2) See “Definition of EBITDA.”

Results of Operations

Three-month period ended December 31, 2015 compared with three-month period ended December 31, 2014

Revenue

Revenue for the three-month period ended December 31, 2015 amounted to $41.3 million compared with $35.1 million for the three-month period ended December 31, 2014, an increase of $6.2 million or 17.6%.

Revenue in the Canadian envelope market increased by $0.7 million or 2.4%, reaching $29.0 million. This steady growth was driven by a 4.3% increase in average selling prices, necessitated by increased costs of raw materials, mostly denominated in USD, which was partially offset by a 1.8% decrease in the number of units sold. The decrease in volume sold occurred mainly in the government, merchants and direct mail customer segments and is in-line with industry trends.

Revenue in the U.S. envelope market increased by $5.1 million or 129.4%, reaching $9.1 million, up from $4.0 million in the fourth quarter of 2014. Growth was fuelled by a 81.5% increase in the volume of units sold, with a strong contribution from the Classic Envelope acquisition and continued growth at the existing Buffalo operations, combined with a 26.4% increase in the average selling price which resulted from changes in the product mix and strength of the USD that had a positive conversion effect and contributed to approximately 17% of the quarter's revenue growth.

Revenue of packaging and specialty products reached $3.1 million, an increase of 13.0% from $2.8 million in the equivalent quarter of 2014, on price increases mostly from a different product mix and growing sales in the US market.

Operating expenses

Operating expenses for the three-month period ended December 31, 2015 amounted to $28.6 million compared with $23.7 million for the same period in 2014, an increase of $4.9 million or 21.1%. This increase is mainly attributable to the acquired businesses and to increased costs of raw materials mostly denominated in USD, the effect of which was mitigated by tight control over operating expenses.

Selling, general and administrative expenses

Selling, general and administrative expenses totalled $4.5 million for the three-month period ended December 31, 2015 compared with $4.9 million for the same period in 2014, representing a decrease of $0.4 million or 8.3% attributable to the settlement, in 2014, of a claim by a former executive.

EBITDA and Adjusted EBITDA

EBITDA stood at $8.1 million for the three-month period ended December 31, 2015 compared with $6.5 million for the same period in 2014, an increase of $1.6 million or 24.8%. EBITDA margins stood at 19.6% compared to 18.5% during the fourth quarter of 2014, an increase of 6.1%. Strong growth in the U.S. envelope market, both from existing operations and from the acquisition of Classic Envelope Inc. and Supremex's disciplined approach at managing its cost structure mitigated the effects of increased prices of raw materials denominated in USD.

Amortization

Aggregate amortization expense for the three-month period ended December 31, 2015 amounted to $2.7 million compared with $2.5 million for the comparable period of 2014, representing an increase of $0.2 million or 11.2%.

Financing charges

Financing charges for the three-month period ended December 31, 2015 remained stable at $0.2 million.

Earnings before income taxes

Due to this quarter's solid top-line and operating performance, earnings before income taxes totalled $5.2 million for the three-month period ended December 31, 2015 compared with $3.8 million for the same period in 2014, an increase of $1.4 million or 36.9%.

Provision for income taxes

During the three-month period ended December 31, 2015, the Company recorded a provision for income taxes of $1.4 million compared with $1.1 million for the three-month period ended December 31, 2014, an increase of $0.3 million or 30.3%. The increase is mainly attributable to higher earnings before income taxes in 2015.

Net earnings

Net earnings amounted to $3.8 million (or $0.13 per share) for the three-month period ended December 31, 2015 compared with $2.7 million (or $0.09 per share) for the same period in 2014, an increase of 39.5%.

Other comprehensive loss

The decrease in the discount rate used to calculate the accrued plan benefit obligations and lower than expected return on assets have generated net actuarial losses of $1.1 million. This variation, offset by a gain on the currency translation of the Company's U.S. subsidiaries impacted the Company's other comprehensive income and deficit.

Twelve-month period ended December 31, 2015 compared with twelve-month period ended December 31, 2014

Revenue

Revenue for the year ended December 31, 2015 amounted to $142.3 million compared with $131.9 million for the year ended December 31, 2014, an increase of $10.4 million or 7.9%.

Revenue generated by the Canadian envelope market decreased by $0.5 million or 0.5% to $106.8 million in 2015 and was positively affected by the recent acquisition of Premier Envelope. An increase of 3.2% in the average selling price brought on by higher costs of raw materials mostly on the strength of the USD, offset by a decrease of 3.6% in the volume of units sold in Canada, reflecting long term trends in the envelope market, mainly in the government and corporate customer segments.

This year's total revenue increase is mainly attributable to growth in the U.S. envelope market, which totalled $25.0 million compared to $14.8 million last year, an improvement of $10.3 million or 69.5%. An increase of 45.4% in the volume of units sold and a higher average selling price of 16.5% resulting from changes in the product mix and strength of the USD, contributed to this result. The appreciation of the U.S. dollar against the Canadian dollar during the year had a positive conversion effect and contributed to approximately 16% of the year's revenue growth.

Revenue of packaging and specialty products increased by 6.7% or $0.7 million to $10.5 million in 2015 as a result of an increase in the volume of units sold both in Canada and in the U.S.

Operating expenses

Operating expenses for the year ended December 31, 2015 amounted to $93.9 million compared with $88.7 million for the same period in 2014, an increase of $5.2 million or 5.8%. This increase relates mainly to the acquisitions of Classic Envelope and to a lesser extent Premier Envelope. While the cost increase related to these business combinations reflects those of a growing organization, the weaker Canadian dollar against the U.S. dollar also contributed to the increase of raw material costs. The increase would have been higher without the non-cash gains that resulted from amendments to the defined benefits pension plan both in 2015 and 2014.

Selling, general and administrative expenses

Selling, general and administrative expenses totalled $15.3 million for the year ended December 31, 2015 compared with $16.9 million for the same period in 2014, a decrease of $1.6 million or 9.6%. The decrease was mainly attributable to a higher non-cash gain recorded in 2015 compared to 2014, both of which resulted from amendments to the defined benefits pension plan, offsetting higher administration expenses related to business acquisition and integration activities.

EBITDA and Adjusted EBITDA

As a result of the changes described above, EBITDA was $33.1 million for the year ended December 31, 2015 compared with $26.2 million for the same period in 2014, representing an increase of $6.9 million or 26.2%. EBITDA margins grew to 23.3% of revenues, compared to 19.9% last year. Without taking into account the claim settlement expense, gain resulting from the post-retirement benefits plan amendment and gains resulting from the pension plan both in 2015 and 2014, Adjusted EBITDA stood at $28.1 million, or 19.8% of revenues, compared with $26.6 million, or 20.2% of revenues for the same period in 2014. In fiscal 2015, Adjusted EBITDA increased in absolute terms by $1.5 million or 5.7%. Supremex' disciplined approach of controlling its cost structure, improving utilization rates and generating cost synergies had a positive effect on maintaining the level of EBITDA margin.

Amortization

Total amortization expense for the year ended December 31, 2015 amounted to $10.3 million compared with $9.7 million for the comparable period of 2014 representing an increase of $0.6 million or 6.1% in relation to the recent acquisitions.

Financing charges

Financing charges for the year ended December 31, 2015 amounted to $1.0 million compared with $1.3 million for the same period in 2014, representing a decrease of $0.3 million or 27.5%, resulting mainly from the impact of the reduced 2015 average level of debt and improved financial position of the pension plans.

Earnings before income taxes

Due to the changes in revenue and expenses described herein, earnings before income taxes totalled $21.8 million for the year ended December 31, 2015 compared with earnings before income taxes of $15.1 million for the same period in 2014, an increase of $6.7 million or 44.0%.

Provision for income taxes

During the year ended December 31, 2015, the Company recorded a provision for income taxes of $5.9 million compared with $4.1 million for the year ended December 31, 2014, an increase of $1.8 million or 43.3% due to increased earnings before income tax.

Net earnings

As a result of the changes described above, net earnings amounted to $15.9 million (or $0.55 per share) for the year ended December 31, 2015 compared with the net earnings of $11.0 million (or $0.38 per share) for the same period in 2014, an increase of $4.9 million or 44.2%.

Other comprehensive loss

A lower than expected return on assets of the Company's defined benefit pension plans combined with a decrease of the discount rate used to calculate the accrued plan benefit obligations generated net actuarial losses of $2.0 million, which were partially offset by a gain of $0.8 million on the foreign currency translation of the Company's subsidiaries in the U.S. These variations affected the Company's other comprehensive income and deficit.

Segmented Information

The Company currently operates in one business segment: the manufacturing and sale of envelopes and packaging and specialty products. The Company's non-current assets amounted to $74.3 million in Canada and $9.7 million in the United States as at December 31, 2015 as compared to $78.6 million and $0.7 million as at December 31, 2014, respectively.

In Canada, the Company's revenue amounted to $31.7 million and to $115.6 million for the three and twelve-month periods ended December 31, 2015 compared to $31.0 million and $116.4 million for the same periods in 2014, representing an increase of $0.7 million or 2.1% quarter-over-quarter and a decrease of $0.8 million or 0.7% year-over-year. In the United States, the Company's revenue amounted to $9.6 million and to $26.7 million for the three and twelve-month periods ended December 31, 2015 compared to $4.1 million and $15.5 million for the same periods in 2014, representing an increase of $5.5 million or 136.4% quarter-over-quarter and $11.2 million or 72.3% year-over-year.

Table of revenue information
(In thousands of dollars)

Revenue information **Percentage variation**	**2015**	**2014**
Canadian envelope market revenues	$106.8	$107.3
Volume	*-3.6%*	*-5.0%*
Price	*3.2%*	*4.5%*
Total Growth Rate	*-0.5%*	*-0.7%*
US envelope market revenues	$25.0	$14.8
Volume	*45.4%*	*10%*
Price (in CAD)	*16.5%*	*13.4%*
Total Growth Rate	*69.5%*	*24.8%*
Packaging & Specialty products	$10.5	$9.8
Total Growth Rate	*6.7%*	*8.1%*
Total	$142.3	$131.9
Year-over-Year performance	*7.9%*	*2.3%*

Liquidity and Capital Resources

Operating activities

Operating activities generated net cash of $20.1 million during the year ended December 31, 2015 compared with $21.8 million during the same period of 2014. The decrease was due to the net change in working capital balances, on an increase in inventory levels required by the level of activity and by lower income tax payable, which were compensated by stronger earnings from operations.

Investing activities

Investing activities used $17.5 million of cash during the year ended December 31, 2015 compared with a use of $2.0 million in 2014, an increase of $15.5 million mainly related to the acquisitions of both all the shares of Classic Envelope Inc., and substantially all of the assets of Premier Envelope Ltd. (including its related companies).

Financing activities

Financing activities generated inflows of $0.3 million during the year ended December 31, 2015, compared with outflows of $21.0 million in 2014, a variation of $21.3 million mainly due to the acquisitions, which were financed through the Company's credit facility and to increases in dividend payout.

Liquidity and capital resources summary

Supremex' ability to generate cash flows from operations combined with its availability under existing credit facilities are expected to provide sufficient liquidity to meet anticipated needs for existing and future projects.

Contractual Obligations and Off-Balance Sheet Arrangements

The following chart outlines the Company's contractual obligations as at December 31, 2015.

(in thousands of dollars)

		Payments due by fiscal year		
	Total	**2016**	**2017**	**2018 and thereafter**
Secured credit facility	**29,000**	—	—	29,000
Operating leases	**10,675**	2,815	2,419	5,441
Total	**39,675**	2,815	2,419	34,441

The Company has no other off-balance sheet arrangements.

Financing

On October 6, 2015, the Company entered into a five-year committed $50 million senior secured revolving facility agreement. No principal repayments are required prior to maturity. This facility replaces Supremex' existing three-year $15 million revolving facility and $25 million term loan.

The secured credit facility is used for working capital, capital expenditure and other general corporate purpose. It is collateralized by hypothec and security interests covering all assets of the Company and its subsidiaries and is subject to certain covenants, which the Company is required, among other conditions, to meet. The Company was in compliance with these covenants during 2015.

As at December 31, 2015, the Company had outstanding letters of credit for a total of $50,000 [2014 – $1,145,000].

This facility bears interest at a floating rate based on the Canadian prime rate or bankers' acceptance rate, plus an applicable margin on those rates. As at December 31, 2015, the interest rate on the credit facilities was 2.59%.

Capitalization

As at February 17, 2016, the Company had 28,644,771 common shares outstanding, a decrease of 106,196 shares following the repurchase done under the NCIB program since its implementation for a total consideration of $499,703.

Financial Instruments

Interest rate and foreign exchange risk

The Company's credit facilities bear interest at a floating rate which gives rise to the risk that its earnings and cash flows may be adversely affected by fluctuations in interest rates.

The Company operates in Canada and the United States, which exposes its earnings and cash flows to fluctuations in the exchange rate between the U.S. and Canadian dollar. A portion of Supremex' revenue is earned in U.S. dollars while a large portion of its expenses, including most of its paper and other raw materials costs as well as certain capital expenditures, are incurred in U.S. dollars. Supremex also derives a portion of its revenue from Canadian dollar sales to certain customers for whom the selling price is sensitive to U.S. competition (see "Risk Factors"). Cash, accounts receivable and accounts payable and accrued liabilities include balances denominated in U.S. dollars at the end of the year.

Fair value

The fair value of the Company's financial instruments is indicated in note 21 to the Company's audited consolidated financial statements for the year ended December 31, 2015.

Financial Position Highlights
(In thousands of dollars)

	December 31, 2015	**December 31, 2014**
Working capital	**20,213**	5,839
Total assets	**125,166**	109,792
Total secured credit facilities(1)	**28,674**	22,406
Equity	**72,635**	63,752

(1) Net of deferred financing costs of $326 ($171 as at December 31, 2014)

Working capital increased by $14.4 million as a result of the two acquisitions closed in the fourth quarter of 2015 and the credit facility entered into on October 6th, 2015, which does not require mandatory repayments before the end of the five-year term.

Total assets increased by $15.4 million, reaching $125.2 million as a result of business combinations performed during the last quarter of 2015 compared to $109.8 million in 2014, a year where no acquisitions were concluded, and mostly depreciation and amortization affected the value of total assets.

On December 1, 2015, the Company purchased substantially all of the assets of Premier Envelope Ltd. and affiliated operating companies for a cash consideration of $6,100,000. Premier Envelope is an established manufacturer of stock and custom envelopes, principally operating in Western Canada.

On October 8, 2015, the Company acquired all of the outstanding common shares of Classic Envelope Inc. for a cash consideration of $9,387,741 ($7,200,844 US) including cash of $95,543 ($73,287 US). This business is a growing manufacturer and printer of envelopes and letterhead based in Massachusetts and servicing the greater Boston and New York City areas.

These acquisitions were financed through the $50 million credit facility, which explains the increase of the Company's debt as at December 31, 2015 when compared with December 31, 2014. Total secured credit facilities thus amounted to $28.7 million at December 31, 2015, compared with $22.4 at December 31, 2014.

As at December 31, 2015, the Company had an accrued pension benefit liability of $0.3 million compared to a $0.6 million accrued pension benefit liability as at December 31, 2014. This change was a result of the gain recorded on amendments to the Pension Plans, offset by lower returns on the pension plans' assets and combined to the lower discount rate on the accrued pension plan obligations.

Supremex pays quarterly dividends to shareholders at the discretion of the Board of Directors. A dividend of $1.6 million or $0.055 per share was declared in the fourth quarter of 2015 and paid subsequent to year-end. Other quarterly dividend payments that occurred previously in 2015 were declared and paid at a rate of $0.05 per share.

Disclosure Controls and Internal Controls over Financial Reporting

In accordance with National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, the Company has filed certifications signed by the President and Chief Executive Officer and the Vice-President, Finance, that, among other things, report on the design and effectiveness of disclosure controls and procedures, and the design and effectiveness of internal control over financial reporting.

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to the President and Chief Executive Officer and the Vice-President, Finance, particularly during the period in which annual filings are being prepared. The President and Chief Executive Officer and the Vice-President, Finance, evaluated the effectiveness of the Company's disclosure controls and procedures and concluded, based on its evaluation, that such disclosure controls and procedures were effective as of December 31, 2015.

Management has also designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The President and Chief Executive Officer and the Vice-President, Finance, evaluated the effectiveness of the Company's internal control over financial reporting and concluded, based on its evaluation, that such internal control over financial reporting was effective as of December 31, 2015. In making its evaluation, the President and Chief Executive Officer and the Vice-President, Finance, used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework.

Finally, there has been no change in the Company's internal control over financial reporting during the year ended December 31, 2015 that materially affected, or is likely to materially affect, the Company's internal control over financial reporting.

Significant accounting policies and estimates

The Company prepares its financial statements in conformity with IFRS, which requires management to make estimates, judgments and assumptions that management believes are reasonable based upon the information available. These estimates, judgments and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to intangible assets and goodwill, employee future benefits and income taxes. Management bases its estimates on historical experience and other assumptions, which it believes are reasonable under the circumstances. Management also assesses its estimates on an ongoing basis. The effect on the financial statements of changes in such estimates in future periods could be material and would be accounted for in the period a change occurs.

The significant accounting policies of the Company are described in note 2 to the Company's audited consolidated financial statements for the year ended December 31, 2015.

The policies the Company believes are most critical to assist in fully understanding and evaluating its reported results include the following:

Intangible assets and goodwill

Intangible assets and goodwill arise out of business combinations for which the Company has applied the purchase method of accounting. The purchase method involves the allocation of the cost of an acquisition to the underlying net assets acquired based on their respective estimated fair value. As part of this allocation process, the Company must identify and attribute values and estimated lives to the intangible assets acquired. These determinations involve significant estimates and assumptions regarding cash flow projections, economic risk and weighted average cost of capital.

These estimates and assumptions determine the amount allocated to other identifiable intangible assets and goodwill as well as the amortization period for identifiable intangible assets with finite lives. If future events or results differ adversely from these estimates and assumptions, the Company could record increased amortization or impairment charges in the future.

As at December 31, 2015, the Company performed a goodwill impairment test using the discounted cash flows method based upon management's best estimates which reflect the Company's planned course of action in light of market conditions. The Company concluded that there was no impairment in the carrying amount of its goodwill. The Company will continue to monitor the resulting impact of market changes.

Valuation technique

The Company uses the discounted cash flows ("DCF") method to determine the value in use of its cash-generating unit and has not made any changes to the valuation methodology used to assess goodwill impairment since the last annual impairment test.

Significant assumptions

The income approach is predicated upon the value of the future cash flows that a business will generate going forward. The DCF method which was used as at December 31, 2015 involves projecting cash flows and converting them into a present value equivalent through discounting. The discounting process uses a rate of return that is commensurate with the risk associated with the business or asset and the time value of money. This approach requires assumptions about revenue growth or decline rates, operating margins, tax rate and discount rate.

Growth or decline of revenue

The assumptions used were based on the Company's internal budget. The Company projected revenue, operating margins and cash flows for a period of four years that reflect lower demand in the Canadian envelope market, a capacity to gain market share in the US envelope market and applied a perpetual long-term decline rate for the period thereafter. In arriving at its forecasts, the Company considered past experience, recent acquisitions, economic trends as well as industry and market trends.

Discount rate

The Company assumed a pre-tax discount rate to calculate the present value of its projected cash flows. The discount rate represented a weighted average cost of capital ("WACC") for comparable companies operating in a similar industry. The WACC is an estimate of the overall required rate of return on an investment for both debt and equity owners and serves as the basis for developing an appropriate discount rate. Determination of the WACC requires separate analysis of the cost of equity and debt, and considers a risk premium based on an assessment of risks related to the projected cash flows.

The key assumptions used in performing the impairment test were as follows:

	Assumptions
Pre-tax discount rate	16.6%
Tax rate	26.0%
Perpetual decline rate	3.0%

Sensitivity

In the most recent impairment test performed, if the pre-tax discount rate had increased to 33.1% or the perpetual decline rate had increased to 53.7%, the recoverable amount of the cash generating unit would have then equaled the carrying amount as at December 31, 2015.

Employee future benefits

The Company sponsors defined benefit plans providing pension and other post-employment benefits to covered employees. The determination of expense and obligations associated with employee future benefits requires the use of assumptions such as the discount rate to measure obligations, the expected mortality, the expected retirement age, the expected rate of future compensation increase and the expected healthcare cost trend rate. Because the determination of the cost and obligations associated with employee future benefits requires the use of various assumptions, there is measurement uncertainty inherent in the actuarial valuation. Actual results will differ from estimated results which are based on assumptions.

Significant assumptions:

Discount rate for accrued benefit obligation	3.90%
Discount rate for net pension cost	4.00%
Rate of compensation increase	2.50%

Discount rate

As at December 31, 2015, we used the *Fiera Capital's CIA Method Accounting Discount Rate Curve* which follows the methodology suggested in the CIA Education Note on *Accounting Discount Rate Assumption for Pension and Post-employment Benefit Plans*. For the Company, a 0.25% increase or decrease in the discount rate would have decreased or increased the defined benefit obligation by approximately $3.2 million as at December 31, 2015. An increase of one year in the life expectancy of plan members as at December 31, 2015 results in an increase of $2.8 million in total projected defined benefit obligation of pension plans.

Rate of compensation

Future salary increases are based on expected future inflation rates.

Income taxes

The Company computes an income tax provision in each of the jurisdictions in which it operates. However, the actual amount of the income tax expense becomes final only upon filing and acceptance of the tax return by the relevant authorities, which take place subsequent to the issuance of the financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions against future taxable income before they expire. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period.

The Company is subject to taxation in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the normal course of business. The Company maintains provisions for uncertain tax positions that it believes appropriately reflect its risk with respect to tax matters under active discussion, audit, dispute or appeal with tax authorities, or which are otherwise considered to involve uncertainty. These provisions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

The Company's 2015 effective tax rate was 27.0% of earnings before income tax.

Recent Accounting Pronouncements

IFRS 9, *Financial Instruments*

IFRS 9, *Financial Instruments* ("IFRS 9"), which replaces IAS 39, *Financial Instruments: Recognition and Measurement*, establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

IFRS will be effective on January 1, 2018.

The Company is assessing the impact of this new standard on its consolidated financial statements.

IFRS 15, *Revenue from Contracts with Customers*
In May 2014, the International Accounting Standards Board (IASB) issued a revenue recognition standard, IFRS 15 *Revenue from Contracts with Customers*, which replaces IAS 18 *Revenue* and IAS 11 *Construction Contracts* and all existing IFRS revenue interpretations. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles).

IFRS 15 is effective for annual periods beginning on or after January 1, 2018. In September 2015, IASB announced a one-year deferral of the IFRS 135 effective date, originally set for January 1, 2017.

The Company is assessing the impact of this new standard on its consolidated financial statements.

IFRS 16, Leases is required to be applied retrospectively for annual periods beginning on or after January 1, 2019, with early adoption permitted provided that the IFRS 15 has been applied or is applied at the same time as IFRS 16.

IFRS 16 sets out the new principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. The standard provides to lessees a single accounting model for all leases, with certain exemptions. In particular, lessees will be required to report most leases on their balance sheets by recognising right-of-use assets and related financial liabilities.

IAS 1, *Presentation of Financial Statements*
In December 2014, IASB issued amendments to IAS 1 *Presentation of Financial Statements* and an exposure draft (ED) proposing amendments to IAS 7 *Statement of Cash Flows* as part of its Disclosure Initiative. The IASB's Disclosure Initiative is made up of a number of implementation and research projects, including a materiality project, a fundamental review of IAS 1, IAS 7 and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, and a general review of disclosure requirements in existing standards.

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

In the event of an immediate adoption, the changes will have no significant impact on the consolidated financial statements.

Recent Events

On February 17, 2016, the Board of Directors declared a quarterly dividend of $0.055 per common share, payable on April 14, 2016 to shareholders of record at the close of business on March 31, 2016.

Subsequent to year end, the Company repurchased 106,196 common shares for cancellation through a normal course issuer bid for a total consideration of $499,703.

Risk Factors

The results of operations, business prospects and financial condition of Supremex are subject to a number of risks and uncertainties, and are affected by a number of factors outside the control of Supremex' management.

Decline in Envelope Consumption

Supremex' envelope manufacturing business is highly dependent upon the demand for envelopes sent through the mail. Supremex may compete with product substitutes, which can impact demand for its products. Usage of the Internet and other electronic media continues to grow. Consumers use these media to purchase goods and services, and for other purposes such as paying utility and credit card bills. Advertisers use the Internet and electronic media for targeted campaigns directed at specific electronic user groups. Large and small businesses use electronic media to conduct business, send invoices and collect bills. The demand for envelopes and other printed materials for transactional purposes is expected to continue to decline in the future.

The North American envelope manufacturing and mailing industries are expected to continue to decline in the foreseeable future, due to a general progressive decline in the use of traditional paper-based products. The business depends on transactional mail and direct mail activities. Transactional mail volumes are thought to have declined in the last few years due in part to the increasing use of non-traditional means of communication and information transfer, such as electronic mail and the Internet. While management believes that the significant decline experienced in the direct mail volume in the last few years was related to the economic conditions, we have no choice but to admit that many companies have reduced their marketing spend as well as redirected some of their overall marketing expenditures to other media channels. There is no assurance that the direct mail industry will regain. As a result, there can be no assurance that Supremex will be able to grow or even maintain historical sales levels.

To reduce this risk, the Company continually strives to improve operational efficiency and develop new products such as the packaging directed toward e-commerce fulfillment.

Postal Services

Because the majority of envelopes consumed in Canada and the United States are mailed, any strike or other work stoppage by unionized postal workers would result in a temporary suspension of the mail activities of most of Supremex' customers and could have a material adverse effect on Supremex. In the summer of 2011, there was a work stoppage at Canada Post that lasted about 3 weeks. During that period, envelope shipments to customers were slightly affected and some direct mail orders were cancelled. Adoption of e-billing also increased during that period. Many large corporations used the work stoppage at Canada Post to promote the advantages of e-billing. It is impossible to quantify the impact of the work stoppage due to its long-term potential effect.

In addition, postal rates are a significant factor affecting envelope usage and any increases in postal rates, relative to changes in the cost of alternative delivery means or advertising media, could result in reductions in the volume of mail sent. To that effect, in December 2013, Canada Post announced a Five-Point action plan by which, notably:

- Over the next five years, the one third of Canadian household that receive their mail at their door will be converted to community mailbox delivery;
- A new pricing structure for Letter Mail mailed within Canada will be introduced in March 2014 (increases from 14.75% for machineable standard letter mail to 35% for individual stamps);

- The retail network will be strengthened by opening more franchise postal outlets in stores across Canada;
- Changes to internal operations to obtain a more efficient flow of parcels and mail through the network and to the customers; and
- Changes to the business model, which will require fewer employees.

No assurance can be provided that future increases in postal rates will not have a negative effect on the level of mail sent or the volume of envelopes purchased.

Finally, there has been growing talk of “do-not-mail” legislation in the U.S. with respect to the direct marketing industry. “Do-not-mail” legislation is instituted at the state level. In 2008, such legislation was introduced but not passed in some states. That being said, if such legislation were to be passed, it would have a negative impact on the Company’s sales volume.

Relation with customers

Supremex typically does not enter into long-term, written agreements with customers. As a result, there is a risk that customers may, without notice or penalty, terminate their relationship with Supremex at any time. In addition, even if customers decide to continue their relationship with Supremex, there can be no guarantee that they will purchase the same amount as in the past, or that purchases will be on similar terms. Supremex’ customer base is solidly diversified with no single account representing more than 10% of sales, thus reducing dependence on any given single customer.

Competition

Despite Supremex’ leading market position in Canada, new entrants into the Canadian envelope market may have an impact on sales and margins. During the 2008-2011 period, the strengthening of the Canadian dollar against the U.S. dollar created an incentive for US-based competitors to increase market penetration in Canada in the five years preceding 2013. The large U.S. envelope manufacturers may use their excess capacity to penetrate the Canadian envelope market. As long as the U.S. market stays relatively soft, there will be pricing pressure in the Canadian market. However, the costs of freight, coupled with delivery inefficiencies are barriers to servicing any significant customer volume from a distance. Since the second half of 2012, the Canadian dollar started weakening against the U.S. dollar, a situation that has further continued into January 2016. While the weakening of the Canadian dollar may decrease the ability of U.S based competitors to penetrate further the market envelope in Canada, it also puts an upward pressure on the Company’s raw material costs.

In the current market, the Canadian envelope manufacturers are more aggressive on pricing in order to generate new sales to replace their lost sales. Given the Company’s large market share in Canada, most of the gains by smaller competitors in Canada are made at the expense of Supremex’ accounts.

Nonetheless, to mitigate this risk, the Company continues to focus on continuous improvement programs, cost reduction initiatives and development of value-added services and products around its core businesses, and still believes in the value of having local service and representation in all the major Canadian markets.

Economic Cycles

A significant risk that Supremex faces and over which it has no control is related to economic cycles. In a soft economy, the market most affected at Supremex is its direct mail market. There is a direct correlation between growth/decline in the gross domestic product and direct mail volume. Because of the economic conditions faced recently, the Company has experienced a significant direct mail volume decline. The effects of this decline are limited for Supremex, since direct mail represents less than 20% of Supremex' total annual volume. For transactional mail, which represents about 50% of Supremex' annual volume, economic cycles have a lesser impact than on direct mail since businesses must still mail out bills to their customers, and the online billing penetration is fairly low in this segment. In the long term, transactional mail volume has been declining.

Raw Material Price Increases

The primary raw materials the Company uses are paper, window material, glue and ink. Fluctuations in raw material and energy prices affect operations.

While paper costs were generally a pass through in the past, an increase in the price of paper can negatively affect our operations if it changes the purchasing habits of customers, especially in the current economic conditions. Moreover, an increase in the price of paper negatively affects Supremex' profitability if the increases cannot be passed on to the customer. To mitigate this risk, the Company does not rely on any one supplier and is generally disciplined in passing on any raw material increases to its customers.

Fluctuations in the price of oil, a core ingredient in the composition of window material, glue and ink have a direct impact on their price. An increase in the price of oil can have a negative effect on operations if it changes the purchasing habits of customers.

Exchange Rate

A portion of Supremex' revenue is earned in U.S. dollars while a large portion of its expenses, including most of its paper and other raw materials costs as well as certain capital expenditures are incurred in U.S. dollars. Supremex also derives a portion of its revenue from Canadian dollar sales to certain customers for whom selling price is sensitive to U.S. competition.

Net exposure to the U.S. dollar has decreased in 2015 due to lower U.S. dollar purchases. Revenue generated in the United States represented 18.7% of consolidated revenue in fiscal 2015, up from 11.7% in fiscal 2014.

Environment

The Company operates in an industry which uses large quantities of paper in its day-to-day operations. With society's mounting concern over the protection of the environment and sustainable development, Supremex' products and services are under pressure to be more environmentally friendly. For instance, the growing concern over the environment could change the consumption habits of consumers and new regulations could force the Company to use more expensive environmentally friendly materials in its production process. To mitigate this risk, the Company tries to be at the forefront of its industry in terms of commitment to the environment and, in collaboration with its suppliers, seeks on an ongoing basis to reduce its impact on the environment. Supremex is also a leader in the Canadian envelope market in the marketing of environmental friendly products, such as 100% recycled paper.

Availability of Capital

In 2015, the Company entered into a Five-Year Committed $50 million Senior Secured Revolving Facility Agreement with Bank of Montreal. This Facility replaced the existing three-year $15 million facility and $25 million non-revolving term loan concluded in 2014. Although the Company carried out this refinancing successfully, there is no guarantee that additional funds will be available in the future, and if they are, that they will be provided in a timeframe and under conditions acceptable to the Company.

Credit

The Company is exposed to credit risk with respect to trade receivables. To mitigate this risk, the Company analyzes and reviews the financial health of its current customers on an ongoing basis. A specific credit limit is established for each customer and reviewed periodically by the Company. Supremex is protected against any concentration of credit risk through its clientele and geographic diversity. No single customer accounts for more than 10% of consolidated accounts receivable. Supremex' customer base is solidly diversified and consists mainly of large national customers, such as large Canadian corporations, nationwide resellers and governmental bodies, as well as paper merchants and solution and process providers. Historically, the level of bad debt has been low given the nature of the customers. As at December 31, 2015, the maximum credit risk exposure for receivables corresponds to their carrying value.

Interest Rate

The Company is exposed to market risks related to interest rate fluctuations. On January 14, 2011, a $30 million interest swap was contracted. Under this swap, the fixed-rate portion represented 43% at the time it was entered into. It represented 105% as at December 31, 2015. Floating-rate debt bears interest based on bankers' acceptance rates. This swap converted the variable interest rate, based on bankers' acceptance rates, to an average fixed interest rate of 2.92% until January 14, 2016, excluding applicable margins, which ranges from 1.50% to 1.75%. The Company's policy is to neutralize potential variations of a portion of its long-term debt depending on the debt level and the cost to service such debt. As at February 17, 2016, the debt level was not deemed high enough to enter into a new interest swap.

Litigation

Supremex, like other manufacturing and sales organizations, is subject to potential liabilities connected with its business operations, including expenses associated with product defects, performance, reliability or delivery delays. Supremex is from time to time threatened with, or named as a defendant in, legal proceedings, including lawsuits based on product liability, personal injury, breach of contract and lost profits or other consequential damages claims, in the ordinary course of conducting its business. A significant judgment against Supremex or the imposition of a significant fine or penalty, as a result of a finding that Supremex failed to comply with laws or regulations, or being named as a defendant on multiple claims could have a material adverse effect on Supremex' business, financial condition, results of operations and cash available for distributions.

Employee future benefits

The Company maintains three registered defined benefit pension plans substantially covering all of its employees. Two of these plans are hybrid and included a defined contribution component. In the third quarter of 2012, the Company converted, for future services, its defined benefit pension plans into defined contributions plans. In the past, the Company has also provided post-retirement and post-employment benefits, including health care, dental care and life insurance, to a limited number of employees.

The level of the contributions may vary depending on the realized return on the pension fund asset and the discount rate of the future liabilities, which could affect the financial condition of Supremex.

Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws, including (but not limited to) statements about the EBITDA (or Adjusted EBITDA) and future performance of Supremex and similar statements or information concerning anticipated future results, circumstances, performance or expectations. Forward-looking information may include words such as anticipate, assumption, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, seek, should, strive, target and will. Such information relates to future events or future performance and reflects current assumptions, expectations and estimates of management regarding growth, results of operations, performance, business prospects and opportunities, Canadian economic environment and liability to attract and retain customers. Such forward-looking information reflects current assumptions, expectations and estimates of management and is based on information currently available to Supremex as at the date of this MD&A. Such assumptions, expectations and estimates are discussed throughout our MD&A for fiscal 2015.

Forward-looking information is subject to certain risks and uncertainties, and should not be read as a guarantee of future performance or results and actual results may differ materially from the conclusion, forecast or projection stated in such forward-looking information. These risks and uncertainties include but are not limited to the following: economic cycles, availability of capital, decline in envelope consumption, increase of competition, exchange rate fluctuation, raw material increases, credits risks with respect to trade receivables, increase in funding of pension plans, postal services deficiencies, interest rates fluctuation and potential risk of litigation. Such risks and uncertainties are discussed throughout our MD&A for fiscal 2014 and, in particular, in "Risk Factors". Consequently, we cannot guarantee that any forward-looking statements or information will materialize. Readers should not place any undue reliance on such forward-looking information unless otherwise required by applicable securities legislation. The Company expressly disclaims any intention and assumes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Definition of EBITDA (or Adjusted EBITDA) and Non-IFRS Measures

References to "EBITDA" are to earnings before financing charges, income tax expense, amortization of property, plant and equipment and of intangible assets, (gain) loss on disposal of property, plant and equipment. Supremex believes that EBITDA is a measurement commonly used by readers of financial statements to evaluate a company's operational cash-generating capacity and ability to discharge its financial expenses.

References to "Adjusted EBITDA" are to EBITDA before adjustments to remove non-recurring items such as gains on amendments to pension and post-retirement benefits plans. Supremex believes that Adjusted EBITDA is a measurement commonly used by readers of financial statements to evaluate a company's operational cash-generating capacity and ability to discharge its financial expenses.

EBITDA or Adjusted EBITDA is not an earnings measure recognized under IFRS and does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA or Adjusted EBITDA may not be comparable to similar measures presented by other entities. Investors are cautioned that EBITDA or Adjusted EBITDA should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance.

Additional Information

Additional information relating to the Company, including the Company's annual information form, is available on SEDAR at www.sedar.com.