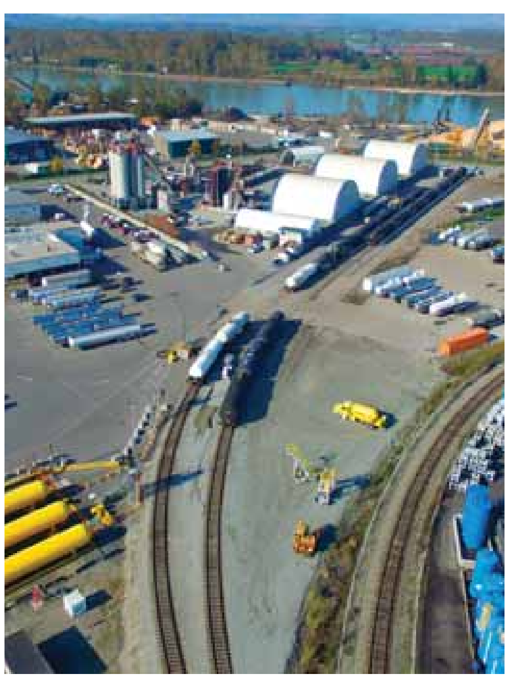
Trimac

TRIMAC
TRANSPORTATION LTD.

2015
ANNUAL REPORT



TRIMAC provides bulk trucking services coast to coast in Canada and the United States. It also provides maintenance, tank-trailer cleaning and logistics services. Founded in 1945 by J.W. McCaig, the first of three generations to preside over the organization, Trimac has stood the test of time, successfully navigating through the rise and fall of economic cycles.

Trimac

WE KNOW TRUCKING

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LETTER TO OUR SHAREHOLDERS

Notwithstanding the sharp downturn in the oil and gas sector and low commodity prices across the resource based industries, Trimac has performed well in 2015. We have benefited from lower fuel prices, we have been able to attract and retain the best professional drivers for our workforce and we achieved the same level of earnings and earnings per share as we did in 2014 despite reduced revenue volumes. However, we are in a very challenging economy where commodity prices are not expected to return to previous levels in the near future and the low commodity prices have had a trickle-down effect not only in lower oilfield activity but also lower demand in various other sectors that we serve.

Well Positioned

Companies that excel in this new environment are those that are able to execute their strategy faster, with more flexibility, adaptability and efficiency. Trimac has weathered many economic downturns over its 70 years in business and has proven it can accomplish these things. Two years ago Trimac changed its strategy to focus on operational excellence to become more cost competitive. Over the past year Trimac has reduced its selling and administrative costs by 7.7 percent, reduced long-term debt by $10.3 million, reduced capital expenditures by 28.4 percent and have implemented systems and processes to improve efficiencies throughout the organization.

Outlook for 2016

2016 will bring new challenges as we transition to a less energy intensive, lower carbon future. As mentioned before, Trimac is well positioned to meet these challenges with our diversified customer base and geographic coverage. Our commitment to be a low cost service provider is our foundation to our success. We will continue to invest in our people, equipment, facilities and our IT systems in an effort to improve efficiencies wherever possible.

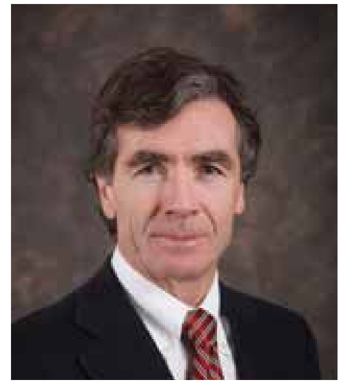
Safety will always be of the utmost importance. As our motto is *“Service with Safety”*, I would like to thank our employees who take this motto to heart and do their utmost to be safety leaders at Trimac and to serve our customers safely.

We are pleased to welcome Matt Faure to the Trimac team as our new CEO. With Matt’s 25 years of experience in the transportation industry, we look forward to working with him and the valuable insights and industry knowledge he brings to Trimac.

I would like to close by extending a sincere thank you to all of Trimac’s talented and dedicated employees. With your continued support, we will continue to drive value for our shareholders safely.

Jeffrey J. McCaig
Chairman of the Board

Edward V. Malysa
President & Chief Operating Officer

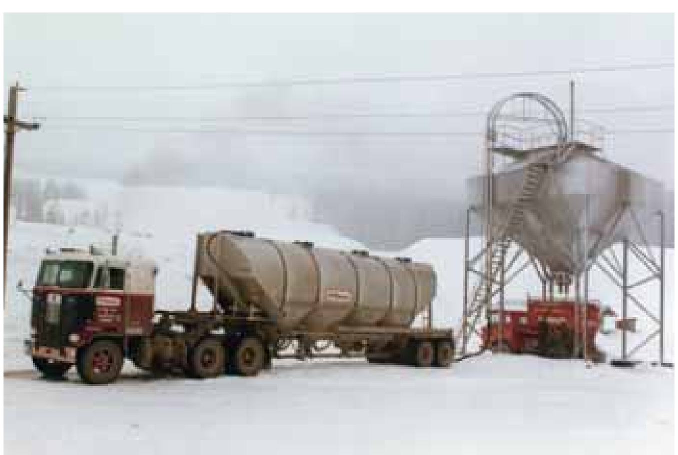


Jeffrey J. McCaig
Chairman of the Board
Trimac Transportation Ltd.

Edward V. Malysa
President &
Chief Operating Officer
Trimac Transportation Ltd.

Matt Faure
Chief Executive Officer
Trimac Transportation Ltd.

70 YEARS OF TRIMAC

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2015 HIGHLIGHTS

- Despite lower net capital expenditures of $9 million, we increased our footprint in Quebec by acquiring $2.3 million of equipment from a competitor and we maintained the average age of our trailing fleet
- Reduced selling and administrative costs by $4.4 million
- Reduced long-term debt by $10.3 million
- Launched a Normal Course Issuer Bid on November 5, 2015 with 127,200 shares purchased and cancelled as of December 31, 2015
- Jeff McCaig announced he is stepping down as CEO but will continue as Chairman of the Board
- Matt Faure accepts the CEO position

2015 PERFORMANCE HIGHLIGHTS

Income

Revenue [1]	2015	$374.4	million	-5.1%
	2014	$394.7	million	
EBITDA	2015	$45.7	million	-10.0%
	2014	$50.8	million	
Operating earnings	2015	$23.3	million	-10.4%
	2014	$26.0	million	
Earnings per share-basic	2015	$0.58		0.0%
	2014	$0.58		

Liquidity & capital expenditures

Cash generated from operations	2015	$46.7	million	-9.3%
	2014	$51.5	million	
Net capital expenditures (net of proceeds)	2015	$13.2	million	-40.5%
	2014	$22.2	million	
Long-term debt	2015	$82.8	million	-11.1%
	2014	$93.1	million	
Debt to EBITDA ratio	2015	2.21	times	-1.3%
	2014	2.24	times	

Revenue[1]

Operating earnings

EPS – basic

Operating Ratio

[1] Revenue excludes fuel surcharge revenue.

CORPORATE INFORMATION

Board of Directors

Jeffrey J. McCaig
Chairman of the Board

Andrew B. Zaleski
Chairman – Governance & Compensation Committee
Member – Audit Committee
Member – Health, Safety, Security & Environment Committee

M. Jerry Patava
Lead Director
Member – Governance & Compensation Committee

Gerald A. Romanzin
Chairman – Audit Committee
Member – Governance & Compensation Committee

Stephen W.C. Mulherin
Member – Audit Committee
Member – Health, Safety, Security & Environment Committee

Maurice W. McCaig
Chairman – Health, Safety, Security & Environment Committee

Tom Connard
Director – March 1, 2016

Executive Leadership Team & Corporate Officers

Mathieu Faure
Chief Executive Officer – January 1, 2016

Edward V. Malysa
President and Chief Operating Officer

Scott D. Calver
Vice President and Chief Financial Officer

Amanda Sutton
Vice President and General Counsel

Mary Ann Kozlowicz
Corporate Secretary

4 YEAR HISTORICAL PERFORMANCE

Trimac Transportation Ltd.
(thousands of Canadian dollars)

For the year ended December 31,	2015	2014	2013	2012
Operations				
Transportation revenue	$332,490	$353,373	$344,083	$313,655
Non-trucking revenue	41,853	41,330	34,474	30,488
Revenue before fuel surcharges	374,343	394,703	378,557	344,143
EBITDA [(1)]	45,661	50,844	48,962	45,879
EBITDA margin	12.2%	12.9%	12.9%	13.3%
Operating earnings	23,296	26,008	23,123	22,635
Earnings before income taxes	20,441	21,070	17,970	18,790
Net earnings	16,389	16,209	14,586	14,158
Cash flows				
Cash generated from operations	$46,655	$51,547	$49,363	$46,533
Net capital expenditures - replacement	11,626	15,307	24,082	21,189
- growth	6,272	6,897	7,311	21,000
Acquisition of transportation businesses	-	816	-	3,017
Payment on forward contract	3,845	2,997	-	-
Financial position				
Property, plant and equipment	$141,451	$150,479	$152,418	$146,111
Total assets	203,161	218,851	220,430	210,508
Long term debt (including current portion)	82,753	93,137	98,070	94,567
Shareholders' equity attributable to parent	56,751	48,201	40,458	36,137

[(1)] Earnings before interest, taxes, depreciation and amortization.

FORWARD-LOOKING STATEMENTS

This annual report including the MD&A and letter to the shareholders contains certain forward-looking statements concerning the outlook for Trimac's financial results and performance, including statements relating to Trimac's strategic plans for growth, Trimac's continued profitability and Trimac's 2016 capital expenditure program. Words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict" and words and expressions of similar import are intended to identify these forward-looking statements. Such forward looking statements reflect management's reasonable beliefs and expectations as at the date hereof.

Such forward-looking statements or information are based on a number of factors and assumptions, including assumptions relating to the strength of the economy, favourable competitive conditions, sustained or increasing business levels, availability of drivers and other skilled workers, the availability of accretive acquisition opportunities, commodity prices and other input costs and Trimac's liquidity and access to adequate funding. Such assumptions may ultimately prove to be incorrect. Although Trimac believes that the expectations reflected in such forward-looking statements or information are reasonable, management cautions that undue reliance should not be placed on forward looking statements or information as such statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which risks and uncertainties could cause actual results to differ materially from such forward-looking statement or information. These risks and uncertainties include but are not limited to:

1. A downturn in general economic conditions
2. The ability to hire and retain quality drivers and mechanics
3. Rising fuel prices and the ability to recover cost increases from its customers
4. A strengthening Canadian dollar may impact Trimac's customers' cost-competitiveness
5. Changes in government regulation and environmental law
6. Irreparable damage to Trimac's operating systems and databases
7. Large accident claims
8. Highly competitive conditions inherent in the industry and Trimac's ability to compete
9. Liquidity in the credit markets and/or changes in interest rates
10. Adverse weather conditions
11. Cost of commercial liability insurance

The foregoing list of risks and uncertainties is not exhaustive. Additional information on these and other factors which may affect Trimac's operations or financial results are included under "Risk Factors" in Trimac's current Annual Information Form and may be updated in Trimac's annual and interim MD&A and consolidated financial statements, which are or will be filed with securities regulators. Trimac's future operating results and profitability may fluctuate as a result of these and other risks. Forward-looking statements or information contained in this annual report are given only as of the date hereof and Trimac disclaims any obligation to update or revise the forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by law.

TRIMAC TRANSPORTATION LTD.

Management's Discussion and Analysis

This management discussion and analysis ("MD&A") dated March 2, 2016 for Trimac Transportation Ltd. ("Trimac" or the "Company") is intended to assist in the understanding and assessment of the trends and significant changes in the results of the operations and financial condition of the Company. The following information is for the year and three months ended December 31, 2015 ("current year", "current period" or "current quarter") compared with the year and three months ended December 31, 2014 ("prior year", "prior period" or "comparative quarter"). This MD&A should be read in conjunction with the accompanying audited consolidated financial statements and notes for the years ended December 31, 2015 and 2014. We also recommend you read the other public disclosure documents of the Company that can be found on SEDAR at www.sedar.com. The audited consolidated financial statements and accompanying notes of the Company were prepared in accordance with International Financial Reporting Standards ("IFRS") and are expressed in Canadian dollars.

ANNUAL SELECTED FINANCIAL INFORMATION

	Year ended December 31,		
(in millions of dollars, except per share data)	**2015**	**2014**	**2013**
Transportation revenue	**332.5**	353.4	344.1
Fuel surcharge revenue	**22.1**	53.4	47.7
Non-trucking revenue	**41.9**	41.3	34.5
Total revenue	**396.5**	448.1	426.3
Operating earnings	**23.3**	26.0	23.1
Net income	**16.4**	16.2	14.6
Share Information			
Cash dividends declared per share	**0.28**	0.28	0.28
Earnings per share - basic	**0.58**	0.58	0.52
Earnings per share - diluted	**0.58**	0.57	0.52
Other Information			
Total assets	**203.2**	218.9	220.4
Total non-current liabilities	**98.4**	105.2	113.2

Despite a 5.1 percent decline in revenue before fuel surcharges, net income remained flat compared to the prior year. The flat year-over-year net income was the direct result of the strategic changes implemented throughout 2015 where Trimac streamlined administrative processes and reduced administrative costs by $4.4 million compared to 2014. Trimac also made significant inroads in optimizing the size of the fleet. The reduction in equipment deployed allowed Trimac to have lower property, plant and equipment expenditures to replace older equipment. Trimac also experienced a record year of $4.7 million in proceeds on disposal of property, plant and equipment as a result of the increased focus on capital discipline during the current year. The current average age of the trailing fleet has remained constant throughout the past three years.

TRIMAC TRANSPORTATION LTD.

Management's Discussion and Analysis

Total revenue for the current year decreased 11.5 percent over 2014. Transportation revenue decreased by 5.9 percent primarily due to the challenging conditions in the commodity markets and the difficult economic climate in the western Canadian provinces. The low oil prices also significantly reduced fuel surcharge revenue. Non-trucking revenue increased slightly over 2014, where third party revenue from National Tank Services increased non-trucking revenue as a result of increased demand. The increase was mostly offset by Bulk Plus Logistics' lower revenue volumes also due to the economic downturn in Alberta. Comparing the current year to 2013, total revenue decreased 7.0 percent primarily due to the market conditions already mentioned partially offset by a 21.4 percent increase in non-trucking revenue primarily in National Tank Services' third party revenue which was due to new business awards and the addition of new locations.

Operating earnings for the current year decreased by 10.4 percent over 2014. Although the bulk trucking segment's operating expenses decreased $16.8 million, operating earnings were impacted by the lower revenue volumes resulting in a $4.1 million decrease in the bulk trucking segment while National Tank Services' operating earnings increased $0.9 million as a result of the higher revenue volumes and productivity improvements made in the shop and wash facilities. Bulk Plus Logistics' operating earnings also improved by $0.5 million as a result of the increase in revenue volumes and the streamlining of administrative costs. Current year operating earnings compared to 2013 increased slightly. The bulk trucking segment's operating earnings decreased $0.7 million primarily due to the reduced revenue volumes, while National Tank Services' operating earnings increased $0.2 million due to the higher revenue volumes and Bulk Plus Logistics' operating earnings increased $0.7 million.

Net income for the current year increased slightly compared to 2014 primarily due to a $1.3 million expense recovery recorded for the revaluation of Trimac's non-controlling interest liability. Net income for the current year increased 12.3 percent compared to 2013 primarily due to lower finance and other costs in the current year.

Total assets for the current year decreased $15.7 million compared to 2014 and decreased $17.2 million compared to 2013 as a result of lower property, plant and equipment purchases made in the current year and lower accounts receivable balances resulting from the lower revenue volumes.

Non-current liabilities for the current year decreased $6.8 million compared to 2014 as a result of reduced long-term debt partially offset by an increase in the deferred income tax liability. Non-current liabilities for the current year decreased $14.8 million compared to 2013 primarily due to the decrease in the long-term debt balance and the elimination of the forward contract which was paid in March 2015.

TRIMAC TRANSPORTATION LTD.

Management's Discussion and Analysis

2015 CONSOLIDATED HIGHLIGHTS AND RESULTS

- Earnings per share remained flat for the year despite a 5.1% decrease in revenue before fuel surcharges
- Selling and administrative costs decreased $4.4 million or 7.7% for the year
- Net income increased 1.2% for the year
- Trimac grew its footprint in Quebec with the purchase of assets and a customer contract from a competitor
- Trimac reduced its long-term debt by $10.3 million to $82.8 million
- Trimac reduced its debt to EBITDA ratio from 2.24 to 2.21

	Three months ended December 31			Year ended December 31		
(in millions of dollars, except per share data)	**2015**	**2014**	**Variance**	**2015**	**2014**	**Variance**
Financial Results						
Transportation revenue	**82.6**	**90.3**	-8.5%	**332.5**	**353.4**	-5.9%
Non-trucking revenue	**10.1**	**11.9**	-15.1%	**41.9**	**41.3**	1.5%
Revenue before fuel surcharges	**92.7**	**102.2**	-9.3%	**374.4**	**394.7**	-5.1%
Direct costs	**72.7**	**85.4**	-14.9%	**298.0**	**340.1**	-12.4%
Fuel surcharge revenue	**(4.2)**	**(11.9)**	-64.7%	**(22.1)**	**(53.4)**	-58.6%
Net direct costs (1)	**68.5**	**73.5**	-6.8%	**275.9**	**286.7**	-3.8%
Selling and administrative costs	**12.4**	**14.6**	-15.1%	**52.8**	**57.2**	-7.7%
Depreciation & amortization	**5.8**	**6.7**	-13.4%	**23.7**	**26.0**	-8.8%
Gain on sale of property, plant and equipment	**(0.3)**	**(0.4)**	-25.0%	**(1.3)**	**(1.2)**	8.3%
Total operating expenses	**86.4**	**94.4**	-8.5%	**351.1**	**368.7**	-4.8%
Operating earnings	**6.3**	**7.8**	-19.2%	**23.3**	**26.0**	-10.4%
Finance & other costs	**0.8**	**1.2**	-33.3%	**2.9**	**4.9**	-40.8%
Income before income tax expense	**5.5**	**6.6**	-16.7%	**20.4**	**21.1**	-3.3%
Income tax expense	**2.1**	**1.6**	31.3%	**5.3**	**4.9**	8.2%
Net income before revaluation of non-controlling interest	**3.4**	**5.0**	-32.0%	**15.1**	**16.2**	-6.8%
Net income	**4.5**	**5.0**	-10.0%	**16.4**	**16.2**	1.2%
Adjusted EBITDA (1)	**11.8**	**14.1**	-16.3%	**45.7**	**50.8**	-10.0%
Adjusted net income (1)	**3.4**	**5.1**	-33.3%	**14.9**	**16.6**	-10.2%
Net cash generated from operating activities	**8.1**	**16.0**	-49.4%	**42.1**	**53.2**	-20.9%
Cash generated from operations (1)	**11.9**	**14.7**	-19.0%	**46.7**	**51.5**	-9.3%
Operating ratio before interest & tax (1)	**93.2%**	**92.4%**	0.9%	**93.8%**	**93.4%**	0.4%
Free cash flow (1)	**2.5**	**13.0**	-80.8%	**32.9**	**34.5**	-4.6%
Share Information						
Cash generated from operations per share (1)	**0.42**	**0.52**		**1.66**	**1.83**	
Cash dividends declared per share	**0.07**	**0.07**		**0.28**	**0.28**	
Earnings per share - adjusted (1)	**0.12**	**0.18**		**0.53**	**0.59**	
Earnings per share (basic)	**0.16**	**0.18**		**0.58**	**0.58**	
Share price - December 31	**5.60**	**6.75**		**5.60**	**6.75**	
Other Information						
Net property, plant and equipment additions	**6.6**	**3.9**		**13.2**	**22.2**	
Acquisitions	**-**	**-**		**-**	**0.7**	

(1) See "Reconciliation of Non-GAAP Financial Measures" section.

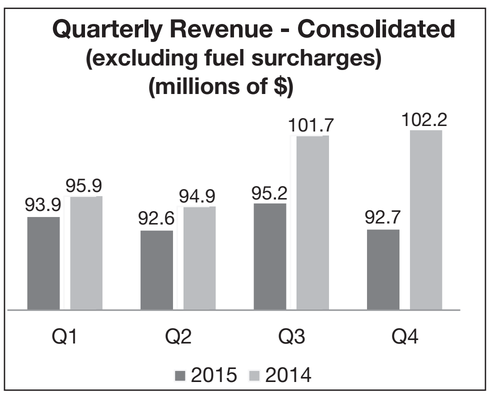
TRIMAC TRANSPORTATION LTD.

Management's Discussion and Analysis

Q4 OVERVIEW

Trimac continued to face revenue shortfalls during the fourth quarter compared to the prior year's fourth quarter due to the economic downturn in the western Canadian provinces. The current quarter was a significant contrast to the comparative quarter where Trimac experienced strong volumes. Although Trimac remained diligent on reducing administration costs by $2.2 million in the current quarter, Trimac was still impacted by the revenue shortfalls as operating earnings decreased $1.5 million. All things considered, management is pleased with how well the business was managed with the reduced volumes in western Canada and the performance and growth experienced in eastern Canada.

REVENUE



For the current year, revenue before fuel surcharges decreased $20.3 million (5.1 percent). Transportation revenue was negatively impacted by the downturn in the oil and gas sector and low commodity prices across the resource based industries. In addition, warmer than expected weather during the fourth quarter contributed to lower demand for pressure commodities and severe weather conditions in the eastern Canadian provinces during the first quarter also contributed to reduced revenue volumes. Non-trucking revenue increased 1.5 percent from higher demand and new business in third party revenue in National Tank Services. This was partially offset by lower revenue in Bulk Plus Logistics as a result of the reduced economic activity in Alberta.

Revenue before fuel surcharges for the current quarter decreased $9.5 million (9.3 percent) as a result of reduced volumes in all segments. Improvements in chemical hauling and resource commodities from new business awards and higher volumes were negated by reduced activity in petroleum and dry bulk commodities due to business losses and decreased demand from the plummeting commodity prices. In addition, the warm weather conditions in eastern Canada reduced the demand for pressure commodities during the current quarter resulting in lower transportation revenue volumes. Revenue shortfalls were also experienced in non-trucking revenue primarily from lower volumes with existing customers and reduced demand from the slowdown in the energy sector.

For Trimac, fuel surcharge revenue is considered a cost recovery and for that reason, Trimac measures the growth of the Company using revenue before fuel surcharges.

OPERATING EXPENSES

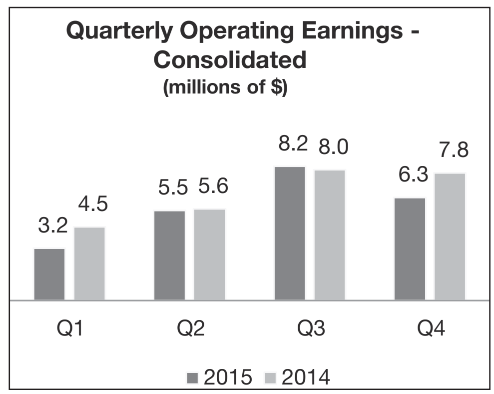
Total operating expenses include direct costs net of fuel surcharge revenue (net direct costs), selling and administrative costs, depreciation and amortization expenses and gains on sale of property, plant and equipment. For the current year, operating expenses as a percentage of revenue before fuel surcharges, increased from 93.4 percent in the prior year to 93.8 percent which was mainly due to the lower transportation revenue volumes. In absolute dollars total operating expenses decreased $17.6 million to $351.1 million. Driver and leased operator remuneration, fuel, maintenance, licensing, and equipment rental costs all decreased as a result of the lower transportation revenue volumes. National Tank Services' operating expenses were higher as a result of an increase in non-trucking revenue while Bulk Plus Logistics' operating expenses decreased as a result of the revenue shortfalls.

For the current quarter, operating expenses as a percentage of revenue before fuel surcharges, increased to 93.2 percent compared to 92.4 percent in the prior period primarily due to the reduced transportation and non-trucking revenue volumes. In absolute dollars, operating expenses decreased $8.0 million to $86.4 million with net direct costs decreasing $5.0 million, selling and administrative costs decreasing $2.2 million, depreciation and amortization expense decreasing $0.9 million and a $0.1 million decrease in gain on sale of property, plant and equipment. Lower driver and leased operator remuneration and fuel costs, as well as maintenance, licensing, transport and equipment rental costs all decreased as a result of the lower transportation revenue volumes while higher insurance claim costs partially offset these decreases. In addition, as part of our administration streamlining, salary, office, consulting and administrative service costs were also reduced in the current quarter. Lower depreciation expense also contributed to the decrease in operating costs as a result of reduced capital expenditures.

OPERATING EARNINGS

Current year operating earnings were impacted by lower revenue resulting in a decrease in operating earnings of $2.7 million compared to the prior year.

For the current period, operating earnings decreased $1.5 million compared to the prior period. Reduced operating expenses of $8.0 million did not offset the impact of the revenue shortfalls.



FINANCE AND OTHER COSTS

For the current year, finance and other costs were reduced by $2.0 million. Contributing to this decrease was lower long-term debt interest of $0.8 million as a result of reducing long-term debt by $10.3 million and paying off term loans that had higher interest rates. The lower Canadian dollar resulted in a foreign exchange gain of $0.7 million and a non-recurring $0.6 million expense for the forward contract revaluation in the prior year also contributed to the decrease. Partially offsetting the reduction was a $0.1 million decrease in the market value gain.

For the current period, finance and other costs decreased $0.4 million. Lower long-term debt interest of $0.3 million and a $0.1 million expense in the prior period for the revaluation of a forward contract contributed to the decrease.

INCOME TAX EXPENSE

Income tax expense in the current year increased $0.4 million over the prior year. This increase was primarily due to an increase in the combined federal and provincial corporate tax rate which went from 25.4 percent to 26.8 percent and an increase in taxable income.

For the current quarter, income tax expense increased $0.5 million to $2.1 million compared to the prior quarter as a result of the items already noted.

Income tax expense as a percentage of earnings before income tax is lower than the combined federal and provincial corporate tax rates due to the exclusion of the non-controlling interest of certain investments. For details, see the income tax note in the accompanying audited consolidated financial statements.

TRIMAC TRANSPORTATION LTD.

Management's Discussion and Analysis

REVALUATION OF NON-CONTROLLING INTEREST LIABILITY

As a result of a revaluation of Trimac's non-controlling interest liability, an expense recovery of $1.3 million for the current year and $1.1 million for the current quarter was recognized in the consolidated statement of income to reduce the fair value of this liability.

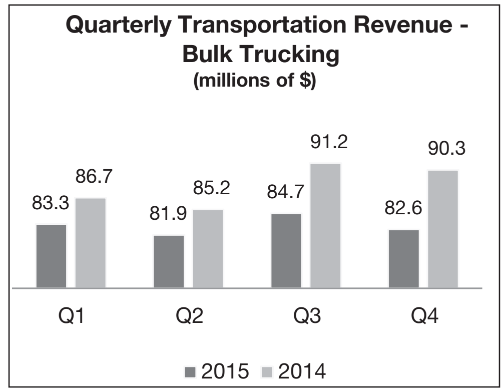
SEGMENTED RESULTS

Bulk Trucking

	Three months ended December 31						Year ended December 31					
(in millions of dollars)	**2015**		**2014**		**Variance**		**2015**		**2014**		**Variance**	
Transportation revenue	82.6	100.0%	90.3	100.0%	(7.7)	-8.5%	332.5	100.0%	353.4	100.0%	(20.9)	-5.9%
Direct costs	65.6	79.4%	76.4	84.6%	(10.8)	-14.1%	269.0	80.9%	310.5	87.9%	(41.5)	-13.4%
Fuel surcharge recovery	(4.2)	-5.1%	(11.9)	-13.2%	7.7	64.7%	(22.1)	-6.6%	(53.4)	-15.1%	31.3	58.6%
Net direct costs	61.4	74.3%	64.5	71.4%	(3.1)	-4.8%	246.9	74.3%	257.1	72.8%	(10.2)	-4.0%
Selling & administrative costs	11.5	13.9%	13.6	15.1%	(2.1)	-15.4%	48.9	14.7%	53.1	15.0%	(4.2)	-7.9%
Depreciation & amortization expense	5.3	6.5%	6.2	6.9%	(0.9)	-14.5%	21.7	6.5%	23.9	6.8%	(2.2)	-9.2%
Gain on sale of property, plant & equip	(0.3)	-0.4%	(0.3)	-0.3%	-	0.0%	(1.3)	-0.4%	(1.1)	-0.3%	(0.2)	18.2%
Operating expenses	77.9	94.3%	84.0	93.0%	(6.1)	-7.3%	316.2	95.1%	333.0	94.2%	(16.8)	-5.0%
Operating earnings	4.7	5.7%	6.3	7.0%	(1.6)	-25.4%	16.3	4.9%	20.4	5.8%	(4.1)	-20.1%
Earnings before income tax	3.9	4.7%	5.1	5.6%	(1.2)	-23.5%	13.8	4.2%	15.9	4.5%	(2.1)	-13.2%

TRANSPORTATION REVENUE (REVENUE BEFORE FUEL SURCHARGES)

For the current year, transportation revenue decreased $20.9 million (5.9 percent). The bulk trucking segment was negatively impacted in the current year by the challenging economic climate in the western Canadian provinces, low commodity prices, customer plant issues, business losses, severe weather conditions in the first quarter and unseasonably warm weather conditions in the fourth quarter. Chemical hauling experienced revenue improvements from new business awards as well as food products. Resource commodities also experienced revenue improvements in its aggregates, mining and woodchip sectors from higher volumes with existing customers. These improvements were offset by business losses incurred in petroleum hauling, dry bulk and pressure commodities. Petroleum hauling and dry bulk commodities were also impacted by the economic downturn in western Canada resulting in a significant reduction in volumes. The unseasonably warm temperatures during the current quarter in eastern Canada and customer plant issues contributed to reduced volumes in pressure commodities. Severe weather conditions in eastern Canada during the first quarter also negatively impacted revenue.

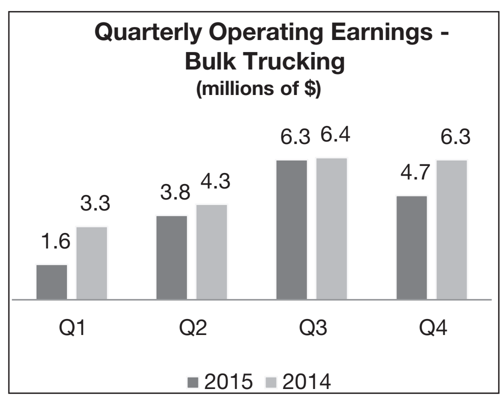


For the current quarter, transportation revenue decreased $7.7 million or 8.5 percent. Chemical hauling experienced revenue improvements from new business awarded during the quarter while resource commodities experienced increased volumes from its customers. However, these improvements were more than offset by reduced volumes in petroleum and dry bulk commodities impacted by the low oil price environment and business losses incurred. Dry bulk commodities did, however, secure some new business during the quarter to offset some of the decrease. Pressure commodities experienced revenue shortfalls from lower propane volumes as a result of the mild weather experienced in eastern Canada during the fourth quarter and from some business losses that were incurred in the prior year.

OPERATING EXPENSES

For the current year, operating expenses as a percentage of transportation revenue increased from 94.2 percent to 95.1 percent which was mainly attributable to the lower transportation revenue volumes. In absolute dollars, operating expenses decreased $16.8 million with driver and leased operator remuneration, fuel, maintenance, licensing, and equipment rental costs all decreasing due to the lower revenue. Partially offsetting these decreases were higher insurance claim costs. Administrative salaries, incentive costs, occupancy, advertising, office and administrative service costs were also reduced in the current year. Lower depreciation expense and higher gains on sale of property, plant and equipment also contributed to the reduction in operating expenses.

For the current quarter, operating expenses as a percentage of transportation revenue increased from 93.0 percent in the prior period to 94.3 percent as a result of lower revenue. In absolute dollars operating expenses decreased $6.1 million. Reduced transportation revenue resulted in lower driver and leased operator remuneration, lower fuel costs, as well as reduced maintenance, licensing, and equipment rental costs. In addition, as part of our administration streamlining, salary, office, consulting and administrative service costs were reduced in the current quarter. Higher insurance claim costs partially offset these decreases.



OPERATING EARNINGS

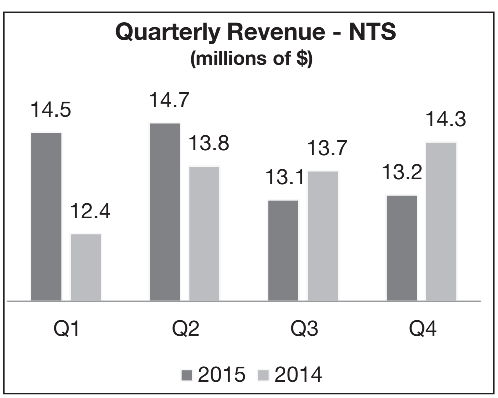
Operating earnings for the current year decreased $4.1 million compared to the prior year, while for the current quarter operating earnings decreased $1.6 million. These declines were primarily attributable to the transportation revenue shortfalls previously noted.

NATIONAL TANK SERVICES ("NTS")

(in millions of dollars)	Three months ended December 31 2015		2014		Variance		Year ended December 31 2015		2014		Variance	
Inter-segment revenue	8.4		8.9		(0.5)	-5.6%	34.5		35.5		(1.0)	-2.8%
Third party revenue	4.8		5.4		(0.6)	-11.1%	21.0		18.7		2.3	12.3%
Total revenue	13.2	100.0%	14.3	100.0%	(1.1)	-7.7%	55.5	100.0%	54.2	100.0%	1.3	2.4%
Direct costs	11.6	87.9%	12.9	90.2%	(1.3)	-10.1%	48.5	87.4%	48.3	89.1%	0.2	0.4%
Selling & administrative costs	0.6	4.5%	0.6	4.2%	-	0.0%	2.5	4.5%	2.3	4.2%	0.2	8.7%
Depreciation & amortization expense	0.4	8.3%	0.4	7.4%	-	0.0%	1.6	7.6%	1.6	8.6%	-	0.0%
Total operating expenses	12.6	95.5%	13.9	97.2%	(1.3)	-9.4%	52.6	94.8%	52.2	96.3%	0.4	0.8%
Operating earnings	0.6	4.5%	0.4	2.8%	0.2	50.0%	2.9	5.2%	2.0	3.7%	0.9	45.0%
Earnings before income tax	0.6	4.5%	0.4	2.8%	0.2	50.0%	2.5	4.5%	1.6	3.0%	0.9	56.3%

REVENUE

NTS generates revenue through repair, maintenance and wash services. These services are provided both to commercial customers (third party revenue) as well as to the bulk trucking operations (inter-segment revenue). NTS complements the bulk trucking operations by offering repair, maintenance and wash services in its facilities located throughout Canada. Transfer pricing to the bulk trucking operations is determined by applying market rate comparisons that are adjusted for volume purchases in the local geographic area of the facility.



For the current year, NTS' total revenue increased $1.3 million. Third party revenue increased $2.3 million from higher demand from existing customers while inter-segment revenue decreased by $1.0 million as a result of the reduced activity in the bulk trucking segment.

For the current quarter, NTS experienced a $1.1 million reduction in total revenue. Both third party and inter-segment revenue volumes decreased as a result of lower demand from existing customers which were negatively impacted by the market conditions in western Canada and less maintenance requirements by the bulk trucking segment.

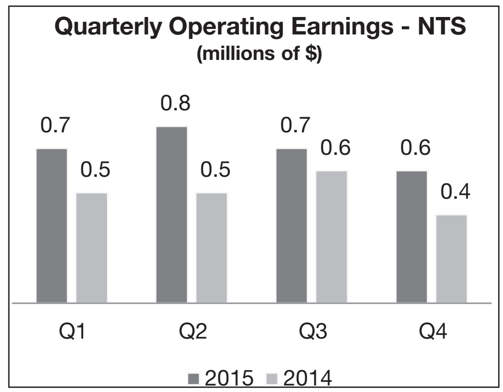
TRIMAC TRANSPORTATION LTD.

Management's Discussion and Analysis

OPERATING EXPENSES

For the current year, operating expenses expressed as a percentage of revenue decreased to 94.8 percent from 96.3 percent in the prior year. The reduction was primarily attributable to productivity improvements, rate increases and non-recurring startup costs for new locations incurred in the prior year. Total operating expenses in absolute dollars increased $0.4 million over the prior year. Higher supply and wage costs contributed to the increase.

Operating expenses as a percentage of revenue decreased from 97.2 percent in the prior quarter to 95.5 percent in the current quarter. This was primarily attributable to improved productivity in the current quarter. In absolute dollars operating expenses decreased $1.3 million which was primarily attributable to lower labour and training costs partially offset by higher supply costs.



OPERATING EARNINGS

For the current year, operating earnings increased $0.9 million while for the current quarter operating earnings increased $0.2 million both as a result of productivity improvements made.

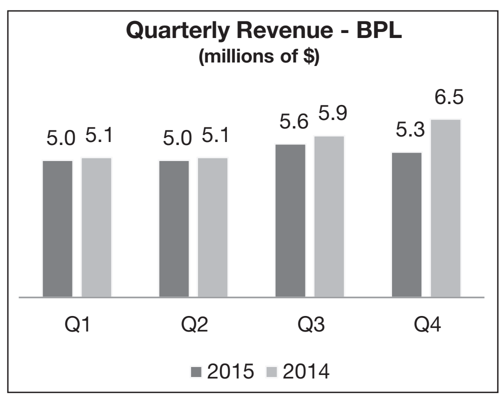
BULK PLUS LOGISTICS ("BPL")

	Three months ended December 31						Year ended December 31					
(in millions of dollars)	2015		2014		Variance		2015		2014		Variance	
Total revenue	5.3	100.0%	6.5	100.0%	(1.2)	-18.5%	20.9	100.0%	22.6	100.0%	(1.7)	-7.5%
Direct costs	3.9	73.6%	5.0	76.9%	(1.1)	-22.0%	15.0	71.8%	16.8	74.3%	(1.8)	-10.7%
Selling & administrative costs	0.3	5.7%	0.4	6.2%	(0.1)	-25.0%	1.4	6.7%	1.8	8.0%	(0.4)	-22.2%
Depreciation & amortization expense	0.1	1.9%	0.1	1.5%	-	0.0%	0.4	1.9%	0.5	2.2%	(0.1)	-20.0%
Gain on sale of property, plant & equip	-	0.0%	(0.1)	-1.5%	0.1	-8.3%	-	0.0%	(0.1)	-0.4%	0.1	-5.9%
Operating expenses	4.3	81.1%	5.4	83.1%	(1.1)	-20.4%	16.8	80.4%	19.0	84.1%	(2.2)	-11.6%
Operating earnings	1.0	18.9%	1.1	16.9%	(0.1)	-9.1%	4.1	19.6%	3.6	15.9%	0.5	13.9%
Earnings before income tax	1.0	18.9%	1.1	16.9%	(0.1)	-9.1%	4.1	19.6%	3.6	15.9%	0.5	13.9%

REVENUE

BPL generates revenue through transload and warehousing operations and third party freight management in both Canada and the United States. Through its rail-to-truck or truck-to-rail transloading services, BPL complements the bulk trucking segment by offering Trimac the opportunity to provide competitive bulk trucking services.

For the current year, total revenue decreased $1.7 million from the prior year. Freight management revenue was negatively impacted by the market conditions in western Canada and the severe winter weather in eastern Canada during the first quarter leading to a $2.2 million decrease in freight management revenue. Partially offsetting this decrease was a $0.5 million increase in transload revenue. This increase was mainly attributable to higher volumes in the first three quarters of the year, partly offset by reduced customer demand in the current quarter.

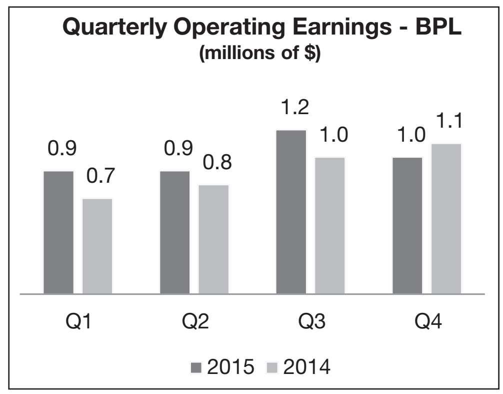


Total revenue for the current quarter, decreased $1.2 million to $5.3 million as a result of reduced volumes in both the transload and freight management operations. Transload revenue volumes experienced lower demand from its customers while freight management revenue decreased as a result of lower volumes in the oil and gas sector in western Canada.

OPERATING EXPENSES

For the current year, total operating expenses as a percentage of revenue decreased from 84.1 percent to 80.4 percent primarily as a result of the change in business mix between transload and freight management business, where the freight management business has higher variable costs than the transload business. In absolute dollars, total operating expenses decreased $2.2 million primarily from reduced subcontractor settlements and lower maintenance costs partially offset by increased insurance and rental costs.

As a percentage of revenue, total operating expenses in the current quarter decreased to 81.1 percent from 83.1 percent in the comparative quarter. In absolute dollars, operating expenses for the current quarter decreased $1.1 million over the comparative quarter. This decline was primarily from reduced subcontractor settlements and lower maintenance costs.



OPERATING EARNINGS

Year-over-year operating earnings increased $0.5 million primarily due to the decrease in operating expenses previously noted. For the current quarter, operating earnings decreased $0.1 million as a result of the lower revenue volumes.

SUMMARY OF QUARTERLY RESULTS

(in millions of dollars, except per share data)	Q4 15	Q3 15	Q2 15	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Revenue before fuel surcharges (1)	92.7	95.2	92.6	93.9	102.2	101.7	94.9	95.9
Fuel surcharge revenue	4.2	5.1	5.7	7.0	11.9	12.9	13.9	14.7
Total revenue	96.9	100.3	98.3	100.9	114.1	114.6	108.8	110.6
Fuel surcharge %	4.5%	5.4%	6.2%	7.5%	11.6%	12.7%	14.6%	15.3%
Operating earnings	6.3	8.2	5.5	3.2	7.8	8.0	5.6	4.5
Net income	4.5	6.0	3.5	2.4	5.0	5.1	3.2	3.0
Weighted average number of shares	28.1	28.1	28.1	28.1	28.1	28.1	28.1	28.0
Diluted earnings per share	0.16	0.21	0.12	0.08	0.18	0.18	0.11	0.11
Basic earnings per share	0.16	0.22	0.12	0.08	0.18	0.18	0.11	0.11

(1) Management recommends that readers use revenue before fuel surcharges as a basis to determine the effect of seasonality.

Certain commodities that are consumed in construction-related industries have higher activity in the warmer months, which are usually in the second and third quarters while the demand for other various commodities, such as propane and natural gas, have a higher demand in winter months, usually the first and fourth quarters. However, seasonality fluctuations have been minimized as a result of Trimac's diversification strategy.

Weather conditions can also impact seasonality where warmer conditions normally experienced in the second and third quarters have reduced costs due to operating improvements while colder conditions in the first and fourth quarters may lead to higher costs due to operating inefficiencies. This is reflected in our operating earnings and net income. Severe winter weather in eastern Canada impacted operating earnings and net income in the first quarter of 2015.

Variations in fuel surcharge revenue have a significant impact on total revenue; however, as a result of Trimac's fuel surcharge program, volatility in fuel prices is generally neutral to profitability. At times of significant fuel price changes, Trimac can be impacted by the lag in fuel surcharge revenue as it relates to changes in fuel costs.

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

	Three months ended December 31		Year ended December 31	
(in millions of dollars)	**2015**	**2014**	**2015**	**2014**
Cash and cash equivalents, beginning of period	3.8	3.2	3.9	(2.2)
Sources of net cash:				
Cash generated from operations [1]	11.9	14.7	46.7	51.5
Increase in long-term debt	3.0	-	2.2	-
Proceeds on sale of property, plant and equipment	1.4	1.0	4.7	2.8
(Increase) decrease non-cash working capital	(2.8)	2.2	(0.6)	5.2
Total sources	13.5	17.9	53.0	59.5
Uses of net cash:				
Repayment of long-term debt	-	(6.1)	(12.5)	(4.9)
Income taxes paid	(1.0)	(0.9)	(4.0)	(3.5)
Cash dividends paid	(2.0)	(2.0)	(7.9)	(7.9)
Cash distributions paid to non-controlling interests	(0.7)	(0.7)	(2.8)	(3.2)
Cash dividends paid to non-controlling interest	-	-	-	(0.3)
Payment on forward contract	-	-	(3.8)	(3.0)
Purchase of property, plant and equipment	(8.0)	(4.9)	(17.9)	(25.0)
Finance costs paid	(0.8)	(1.1)	(3.7)	(4.4)
Net change in non-cash working capital relating to investing activities	(0.5)	(1.5)	(0.1)	(0.2)
Acquisitions	-	-	-	(0.8)
Repurchase of common shares	(0.7)	-	(0.7)	-
Other	-	-	0.1	(0.2)
Total usage	(13.7)	(17.2)	(53.3)	(53.4)
(Decrease) increase in cash and cash equivalents	(0.2)	0.7	(0.3)	6.1
Cash and cash equivalents, end of period	3.6	3.9	3.6	3.9

(1) See "Reconciliation of Non-GAAP Financial Measures" section.

CASH GENERATED FROM OPERATING ACTIVITIES

	Three months ended December 31			Year ended December 31		
(in millions of dollars)	**2015**	**2014**	**Variance**	**2015**	**2014**	**Variance**
Operating earnings	6.3	7.8	(1.5)	23.3	26.0	(2.7)
Plus (less):						
Depreciation and amortization	5.8	6.7	(0.9)	23.7	26.0	(2.3)
Gain on sale of property, plant & equipment	(0.3)	(0.4)	0.1	(1.3)	(1.2)	(0.1)
Foreign exchange	-	-	-	0.7	-	0.7
Other non-cash items	0.1	0.6	(0.5)	0.3	0.7	(0.4)
Income taxes paid	(1.0)	(0.9)	(0.1)	(4.0)	(3.5)	(0.5)
Net change in non-cash working capital	(2.8)	2.2	(5.0)	(0.6)	5.2	(5.8)
Net cash generated from operating activities	8.1	16.0	(7.9)	42.1	53.2	(11.1)

The changes in non-cash working capital were as follows:

	Three months ended December 31			Year ended December 31		
(in millions of dollars)	**2015**	**2014**	**Variance**	**2015**	**2014**	**Variance**
Accounts receivable	2.8	4.0	(1.2)	4.8	1.9	2.9
Materials and supplies	0.1	(0.1)	0.2	0.2	(0.4)	0.6
Prepaid expenses	(0.6)	(0.8)	0.2	0.9	0.2	0.7
Trade payables and other liabilities	(5.4)	(1.3)	(4.1)	(6.1)	2.7	(8.8)
Due from/to related parties	0.3	0.4	(0.1)	(0.4)	0.8	(1.2)
Net change in non-cash working capital	(2.8)	2.2	(5.0)	(0.6)	5.2	(5.8)

For the current year, net change in non-cash working capital decreased $5.8 million. This decrease was primarily attributable to trade payables and other liabilities which had a net decrease of $8.8 million. Lower trade payable volumes from lower costs due to the decrease in revenue contributed to this decrease as well as the timing of cash payments made on trade payables where an electronic funds payment of $2.7 million was made in the current year while payment occurred after cutoff in the prior year. Reduced management incentive accrual and the timing of salary and benefit payments also contributed to the decrease in trade payables and other liabilities. An increase in related party obligations due to the timing of payments also contributed to the decrease in non-cash working capital. Partially offsetting the decrease were lower accounts receivable balances from reduced revenue volumes, lower materials and supplies due to reduced inventory levels and lower prepaid expenses due to timing of payments.

Net change in non-cash working capital for the current period decreased $5.0 million which was mainly attributable to the lower trade payables and other liability balances which were impacted by the same factors previously mentioned. Timing of payments for related party obligations and cash payments received on accounts receivable also contributed to the decrease. Partially offsetting this decrease were lower prepaid expenses and materials and supplies.

CASH USED IN INVESTING ACTIVITIES

Cash used in investing activities included purchases made in property, plant and equipment which were as follows:

	Three months ended December 31			Year ended December 31		
(in millions of dollars)	**2015**	**2014**	**Variance**	**2015**	**2014**	**Variance**
Additions:						
Bulk hauling units	6.3	3.5	2.8	12.3	19.7	(7.4)
Land, buildings & yard improvements	-	0.9	(0.9)	1.5	3.0	(1.5)
Furniture, fixtures & other equipment	1.7	0.5	1.2	4.1	2.3	1.8
Purchase of property, plant and equipment	8.0	4.9	3.1	17.9	25.0	(7.1)
Proceeds:						
Bulk hauling units	(1.4)	(1.0)	(0.4)	(4.6)	(2.8)	(1.8)
Furniture & fixtures & other equipment	-	-	-	(0.1)	-	(0.1)
Proceeds on sale of property, plant and equipment	(1.4)	(1.0)	(0.4)	(4.7)	(2.8)	(1.9)
Net capital expenditures	6.6	3.9	2.7	13.2	22.2	(9.0)

Net capital expenditures for the current year of $13.2 million included $6.9 million for replacement capital (net of proceeds of $4.7 million) while for the current period replacement capital totaled $2.3 million (net of proceeds of $1.4 million). The decrease in net capital expenditures was primarily due to fewer tractor and trailer purchases as a result of a reduction in miles travelled; however the average age of the trailing fleet has remained consistent over the prior three years. Trimac currently does not have any outstanding commitments for equipment purchases. For the current quarter, the increase in bulk hauling unit additions was primarily due to the purchase of assets from a competitor in the Quebec market which totaled $2.3 million.

Also included in investing activities was a $3.8 million final payment on a forward contract. On March 30, 2012, Trimac acquired 60 percent of an entity with an obligation to acquire the remaining 40 percent over the following three years. This obligation was presented on the statement of financial position as a forward contract. On March 31, 2014, no payment was required on March 31, 2013, Trimac acquired another 20 percent of this entity for $3.0 million. Finally on March 31, 2015, Trimac acquired the remaining 20 percent of the entity for $3.8 million which represented the fair value of the remaining 20 percent of the entity.

CASH USED IN FINANCING ACTIVITIES

Cash generated in financing activities is as follows:

	Three months ended December 31			Year ended December 31		
(in millions of dollars)	**2015**	**2014**	**Variance**	**2015**	**2014**	**Variance**
Bank advances (net)	-	-	-	-	(0.1)	0.1
Increase in long-term debt	3.0	-	3.0	2.2	-	2.2
Repayment of long-term debt	-	(6.1)	6.1	(12.5)	(4.9)	(7.6)
Repurchase of common shares	(0.7)	-	(0.7)	(0.7)	-	(0.7)
Cash dividends paid to non-controlling interests	-	-	-	-	(0.3)	0.3
Cash distributions paid to non-controlling interests	(0.7)	(0.7)	-	(2.8)	(3.2)	0.4
Cash dividends paid	(2.0)	(2.0)	-	(7.9)	(7.9)	-
Finance costs paid	(0.8)	(1.1)	0.3	(3.7)	(4.4)	0.7
Net cash used in financing activities	(1.2)	(9.9)	8.7	(25.4)	(20.8)	(4.6)

For the current year, net cash used in financing activities decreased $4.6 million. This decrease was primarily a result of higher long-term debt repayments, net of borrowings, of $5.4 million and the repurchase of common shares through the normal course issuer bid. Partially offsetting these decreases were lower dividends and distributions paid to non-controlling interests and lower finance costs paid as a result of lower debt levels.

For the current period, net cash used in financing activities increased $8.7 million as a result of higher long-term debt borrowings used to purchase property, plant and equipment. The repurchase of common shares through our normal course issuer bid partially reduced the increase.

CREDIT FACILITIES

Trimac has a $125.0 million extendible revolving credit facility that may be increased up to $150.0 million, subject to lender approval and currently totals $80.9 million (December 31, 2014 - $89.6 million). The facility is secured by a floating charge over the assets of Trimac and floating interest rates are determined by grid pricing based on Trimac's ratio of debt to EBITDA. Trimac may elect to borrow in prime, LIBOR or bankers' acceptance instruments with the spread against Canadian or U.S. prime ranging from 0.5 percent to 1.5 percent while the spread against other benchmarks in which Trimac may borrow range from 1.5 percent to 2.5 percent. The facility covenants require Trimac to maintain specified debt service coverage and debt to EBITDA ratios. This facility is subject to renewal, with the concurrence of both, the borrower and the lender, prior to July 31, 2017.

Trimac also has a $10.0 million credit facility with another Canadian financial institution which currently totals $1.9 million ($nil – prior year). This facility is secured by the equipment purchased and is repayable over 60 months at an interest rate of 3.14 percent. Monthly repayments of principal and interest totalled less than $0.1 million ($nil – prior year).

At December 31, 2015, unused lines of credit totaled $37.3 million (December 31, 2014 – $28.6 million) after taking into account $6.8 million of issued letters of credit (December 31, 2014 – $6.8 million).

At December 31, 2015, working capital increased to $22.1 million as compared to $15.2 million at December 31, 2014. This was primarily from a reduction in liabilities relating to the forward contract paid as previously noted and lower accounts payable balances. As per the following schedule, specified financial covenants and all other required covenants have been complied with.

SPECIFIED FINANCIAL COVENANTS

	Minimum covenant	Maximum covenant	As at December 31, 2015	As at December 31, 2014
Debt to EBITDA (1)		3.25	**2.21**	2.24
Debt coverage	1.50		**6.99**	4.66

(1) The above calculations are based on the revolving credit facility agreement.

Debt to EBITDA decreased in the current year compared to December 31, 2014 primarily due to lower debt levels.

FINANCIAL POSITION

(in millions of dollars)	As at December 31, 2015	As at December 31, 2014
Total assets	**203.2**	218.9
Long-term debt (includes current portion)	**82.8**	93.1
Total equity	**56.8**	51.2

Total assets for the current year decreased $15.7 million from December 31, 2014 primarily as a result of lower property, plant and equipment balances due to fewer capital expenditures made and lower accounts receivable balances due to the reduced revenue volumes. Long-term debt decreased $10.3 million over December 31, 2014 primarily as a result of lower funding requirements for current capital expenditures.

CONTRACTUAL COMMITMENTS

		Payment due by period			
(in millions of dollars)	Total	< 1 year	1-3 years	4-5 years	> 5 years
Operating leases	15.6	5.1	7.1	1.9	1.5
Long-term debt repayments	82.8	0.4	81.7	0.4	0.3
Interest on long-term debt	5.4	3.3	2.0	0.1	-
Other obligations	3.7	0.9	0.2	-	2.6
Total contractual commitments	107.5	9.7	91.0	2.4	4.4

OUTSTANDING SHARES

Number of shares at (in millions)	December 31, 2015	December 31, 2014
Opening balance Class A shares	28.1	28.0
Issued during the year	0.1	0.1
Repurchased during the year-NCIB	(0.1)	-
Total outstanding shares	28.1	28.1

Additional shares were issued as settlement of a grant of share awards issued under Trimac's performance share unit plan on March 23, 2015.

Management of Trimac believes that, from time to time, the market price of the shares may not fully reflect the underlying value of the shares and that at such times the purchase of shares would be accretive and in the best interests of Trimac. Such purchases will increase the proportionate interest of, and may be advantageous to, all remaining shareholders. In addition, the purchases by Trimac may increase liquidity to Trimac's shareholders wishing to sell their shares.

On November 5, 2015, Trimac announced that it intended to proceed with a normal course issuer bid ("NCIB"). Under the NCIB, Trimac may, until November 9, 2016, or until such time as the bid is completed or terminated at Trimac's option, purchase for cancellation up to 1.4 million common shares, representing 4.97 percent of Trimac's outstanding shares as of October 30, 2015. During the year ended December 31, 2015, Trimac repurchased 0.1 million common shares, at prices ranging from $5.40 to $5.89 per share.

As at March 2, 2016, the total number of Class A shares outstanding was 27.7 million. An additional 0.4 million shares were repurchased under the NCIB.

TRANSACTIONS WITH RELATED PARTIES

Trimac received administrative services provided by an associated partnership, Trimac Management Services Limited Partnership ("TMSLP"). The services are provided under a shared services agreement and amounted to $13.0 million for the current year ($13.4 million – prior year).

Included in Trimac's dividend payments are declared dividends of $4.7 million for both the current and prior years which were paid to Trimac Holdings Ltd., Trimac's controlling shareholder.

In 2012, Trimac entered into two lease commitments with a related party, McCaig Real Estate Limited ("MREL") which are controlled by Jeffrey J. McCaig who is the controlling shareholder of Trimac Holdings Ltd. Annual rent for these leases total $1.1 million and lease terms ranged from five to seven years with an option to renew for an additional two or three consecutive five year terms. Rent for each renewal period will be based on market rates at the time of renewal.

Amounts due from related parties in current assets, and due to related parties in current liabilities, both arise through the ordinary course of business, are owed to/from certain U.S. or Canadian related parties and are measured at the amount agreed by the related parties.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

The estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are noted below:

a) Provision for impairment of trade receivables

Trade receivables are revalued to fair value at each reporting date and a provision is recorded for any impaired receivables. The valuation of trade receivables is performed using a probability of collection, depending on the risk involved and the days receivables are outstanding for. A provision is recorded when receivables are expected to be uncollectible.

b) Non-controlling interest liability

The non-controlling interest liability represents the 71 percent of a partnership that is owned by third parties, see note 24 of the accompanying audited consolidated financial statements. Trimac revalues this liability each reporting date using estimates and judgements prepared by management.

c) Property, plant and equipment

Trimac determines the carrying value of its property, plant and equipment based on its property, plant and equipment policies that incorporate estimates, assumptions and judgements relative to the useful lives, remaining useful lives and salvage values of equipment and other assets. At each reporting date, Trimac considers historical trends, conditions under which the assets are to be used, and other industry related factors to determine the estimated useful lives of the property, plant and equipment.

d) Long-lived assets and goodwill

Trimac performs valuation of long-lived assets and goodwill annually, and assesses at each reporting date the existence of indicators of possible impairment, which requires management to use certain estimates and assumptions. These are included in note 8 of the accompanying audited consolidated financial statements.

e) Fair value of financial instruments

The methods and assumptions used in the fair value of financial instruments are described below under Financial Instruments, Risks and Uncertainties. Additional details may also be found under note 3 of the accompanying audited consolidated financial statements.

f) Income taxes

Trimac is subject to income taxes in numerous jurisdictions and significant judgement is required in determining the nationwide provision for income taxes.

Trimac's deferred tax assets and liabilities represent items that will result in a tax deduction or taxable income in future years for which Trimac has already recorded the related tax expense or benefit in the consolidated statement of income. Deferred taxes arise as a result of timing differences between recognition of an item in Trimac's consolidated statement of income and its corporate tax filings. Trimac assesses the likelihood of recovering the deferred tax assets from future taxable income and recognizes impairment when certain of no possible recovery. Where the final tax outcome or tax audit result is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

g) Provisions and claims

Provisions represent insurance liabilities to Trimac for which the amount or timing is uncertain. Input from independent legal counsel and insurance providers are provided, based on their judgement and estimates. The actual amount owing may materially differ from the provision made. In addition, Trimac assesses the potential liability regarding any lawsuit or claim brought against Trimac. Management uses their judgement based on the input from the independent legal counsel and the insurance providers to designate a claim as low, medium or high probability. Due to the inherent uncertainties relating to the eventual outcome of litigation and potential insurance recovery, certain matters could ultimately be resolved for amounts materially different to provisions or disclosures previously made by Trimac.

h) Assessment of impairment indicators

Trimac tests impairment of long-lived assets with determinate useful lives when indications of impairment exist. Application of judgement is required in determining whether an impairment test is warranted

i) Control indicators

Trimac uses certain factors to assess if Trimac has control over certain entities which are not wholly-owned. Management's judgement is required to determine if control exists based on the control indicators listed in IFRS 10. Judgement is used to determine if Trimac has control over an entity through management's decisions of what the relevant activities of the entity are and how decisions over these activities are made in relation to the entity. Based on the day-to-day operations of the entity, Trimac assesses how daily operating decisions were made and who had those decision making rights. Judgement is also used to determine whether Trimac was exposed to or had rights to variable returns from its involvement with the entity and whether Trimac has the ability to use its control over the entity by Board representation and other means to affect the amount of the entity's returns

CHANGES IN ACCOUNTING POLICIES

Trimac has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2015. These changes were made in accordance with the applicable transitional provisions and had no material impact to Trimac's audited consolidated financial statements.

Trimac has adopted the amendment to IAS 19 Employee Benefits, which clarified the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

Trimac has adopted an amendment to IAS 24, Related Party Disclosures, which clarified the identification and disclosure requirements for related party transactions when key management personnel services are provided by a management entity.

Trimac has adopted the amendment to IFRS 2, Share-based Payments, which clarified the definition of vesting and market conditions and added definitions for performance and service conditions.

Trimac has adopted the amendment to IFRS 8, Operating Segments, which added a disclosure requirement for the aggregation of operating segments and clarified the reconciliation of the total reportable segments' assets to the entity's assets.

Trimac has adopted the amendment to IFRS 13, Fair Value Measurement, which clarified that short-term receivables and payables with no stated interest rates can be measured at invoice amounts if the effect of discounting is immaterial. It also clarified that portfolio exception can be applied not only to financial assets and liabilities, but also to other contracts within the scope of IFRS 39 and IFRS 9.

NEW ACCOUNTING PRONOUNCEMENTS

The following standards have not been applied in preparing the audited consolidated financial statements for the year ended December 31, 2015. Trimac is currently assessing the impact these new standards will have on its audited consolidated financial statements.

IAS 1, Presentation of Financial Statements – applicable to annual periods beginning on or after January 1, 2016

IFRS 9, Financial Instruments – applicable to annual periods beginning on or after January 1, 2018

IFRS 15, Revenue from contracts with customers – applicable to annual periods beginning on or after January 1, 2018

IFRS 16, Leases – applicable to annual periods beginning on or after January 1, 2019

FINANCIAL INSTRUMENTS, RISKS AND UNCERTAINTIES

Financial Instruments

Trimac has a derivative contract to cap interest rates on $10.0 million of floating rate debt which expires December, 2017. This financial instrument is measured at fair value.

The following table provides information about the liabilities that are reflected on the audited consolidated statement of financial position and the categorization by level of how fair value is measured.

(in millions of dollars)	December 31, 2015	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Derivatives - interest rate cap	0.2	-	0.2	-
Derivatives - non-controlling interest liability	19.8	-	-	19.8
	20.0	-	0.2	19.8

The fair value of the interest rate cap derivative is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of the interest rate cap on the statement of financial position was $0.2 million. A market value gain on derivatives of $0.1 million (December 31, 2014 - $0.2 million gain) was recorded in the consolidated statement of income. The valuation of the Level 2 financial instrument is performed by third party financial institutions.

Trimac measures the fair value of the Level 3 non-controlling interest liability using a fair value less costs of disposal calculation. This calculation uses an earnings multiple approach where earnings is based on the average of current year earnings and 2016 budgeted earnings. The fair value of the non-controlling interest liability on the statement of financial position was $19.8 million. An expense recovery of $1.3 million (December 31, 2014 - $nil) was recorded in the consolidated statement of income.

RISKS AND UNCERTAINTIES

Trimac is exposed to various risks:

a) Credit risk – Trimac hauls a wide variety of bulk materials for a broad customer base spanning numerous industries. The credit risk is considered to be low and not overly concentrated due to the strength, diversity and long-standing relationships which exist with a substantial portion of the customer base. As of December 31, 2015 and 2014, no customer made up more than 10 percent of total revenue.

b) Interest rate risk – Trimac is subject to fluctuations in interest rates. To mitigate interest rate risk, the current credit agreement has a $45.0 million interest rate swap facility that can, at management's discretion, be used to lock in fixed interest rates for a period of up to seven years. Excluding the $10.0 million of debt that Trimac currently has fixed under the interest rate swap facility, approximately 85.6 percent or $70.9 million of long-term debt is subject to floating interest rates. A one percent movement in the prime rate would have resulted in a $0.4 million change in net income for the year ended December 31, 2015.

c) Foreign exchange risk – Trimac operates within Canada and the U.S. and is exposed to foreign exchange risk arising from changes in the Canadian/U.S exchange rate. Foreign exchange risk arises on recognized assets and liabilities, principally trade receivables and trade payables. Trimac may also be exposed to foreign exchange risk through various capital expenditures which are paid in U.S. dollars. For the year ended December 31, 2015, if the Canadian dollar had weakened/strengthened by 20 percent against the U.S. dollar with all other variables remained constant, net income for the year would have been $0.7 million higher/lower.

d) Liquidity risk – Trimac's ability to fund future operating activities and investments is represented by its liquidity risk. Trimac's process for managing liquidity risk includes preparing and monitoring capital and operating budgets, coordinating and authorizing project expenditures and authorizing contracted agreements. As of December 31, 2015, Trimac's liquidity risk has decreased compared to December 31, 2014 due to the reduction in long-term debt of $10.3 million and an increase in working capital of $6.9 million. The following table reflects the contractual maturity of Trimac's financial liabilities as at December 31, 2015:

		Payment due by period			
(in millions of dollars)	**Total**	**< 1 year**	**1-2 years**	**2-3 years**	**Thereafter**
Trade payables	26.8	26.8	-	-	-
Due to related parties	-	-	-	-	-
Long-term debt repayments (incl. interest)	87.7	3.7	83.2	0.4	0.4
Non-controlling interest liability	19.8	-	-	-	19.8
Other obligations	0.8	0.5	0.2	0.1	-
Total financial liabilities	135.1	31.0	83.4	0.5	20.2

e) Economic environment – The demand for transporting the commodities that Trimac hauls is linked to the overall health of the Canadian economy. As a result, a significant change in the economy could affect Trimac's performance. Trimac has mitigated this risk through geographic, industry, commodity and customer base diversification.

f) Fuel prices – Trimac is exposed to fluctuations in the price for fuel. The Company has a fuel surcharge program in place with its customers and other than the impact of the lag, the change in the price is neutral to profitability. Trimac has a comprehensive fuel network and fuel contracts in place to manage costs, as well as consumption is monitored very closely to ensure the fleet operates as efficiently as possible.

g) Competition – The transportation industry in Canada is highly competitive. Trimac continues to focus on the "bulk hauling" niche. Bulk hauling has higher barriers to entry based on stringent safety standards, advanced product stewardship handling requirements and highly specialized and expensive trailing equipment.

h) Weather – Harsh weather can create conditions that impede the movement of the bulk materials and increase Trimac's operating costs and may reduce customers' or consignees' requirements, any of which may have a material adverse effect on Trimac's financial condition.

i) Labour relations – A substantial part of Trimac's work force are members of collective bargaining units. Given the industry shortage of professional drivers and mechanics, there can be no assurance that Trimac will be able to reach an agreement with the various bargaining agents on terms consistent with management's budgets and expectations.

j) Reliance on major customers – The top twenty customers of Trimac's bulk trucking business account for over 50 percent of Trimac's trucking revenue. Although a significant percentage of these customers are under contract, some of those contracts can be terminated on short notice. This risk is mitigated by Trimac's focus on servicing blue chip customers and maintaining customer relationships.

k) Changes in government regulation and environmental law – Trimac is subject to extensive federal, provincial, state, municipal and local environmental laws and requirements in both Canada and the United States relating to, among other things, air emissions, the management of contaminants including hazardous materials, discharges and the remediation of environmental impacts. Trimac monitors these regulations and laws continually to ensure adherence to the appropriate regulations and laws.

l) Irreparable damage to information technology – Trimac has made significant investments in information technology and relies on its information systems to support its operational excellence business model. In the event that irreparable damage was caused to Trimac's information systems and databases, Trimac's operational ability would be impaired and its ability to provide service to its customers compromised. In such event, Trimac's financial condition could be materially adversely affected.

m) Litigation and fines – Trimac is currently involved in certain legal proceedings and although management of Trimac does not believe that an adverse decision in any such proceedings would have a material adverse effect on Trimac's financial condition, the outcome of litigation cannot be predicted with certainty. A significant judgment against Trimac, or the imposition of a significant fine or penalty, as a result of a finding that Trimac has failed to comply with laws or regulations or as a result of damages arising from a motor vehicle accident could have a material adverse effect on Trimac's financial condition.

n) Cost of commercial liability insurance – Trimac's operations are subject to risks normally inherent in the transportation industry, including potential liability which could result from, among other circumstances, personal injury or property damage arising from motor vehicle accidents. Trimac's motor vehicle and cargo insurance policies carry relatively high deductibles resulting in Trimac effectively self-insuring a significant portion of motor vehicle accidents and cargo losses, although Trimac does maintain coverage for catastrophic losses. The availability of, and ability to collect on, insurance coverage is subject to factors beyond the control of Trimac.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Financial information has been prepared in conformance to IFRS ("GAAP"). However, certain non-GAAP measures are used by management to evaluate the performance of the operations. These non-GAAP measures could be calculated differently by other companies. Readers should be cautioned that these non-GAAP measures should not replace measures of financial performance prepared in accordance with GAAP.

CASH GENERATED FROM OPERATIONS

Cash generated from operations is the cash that is generated from operating activities prior to any tax payments made or changes in non-cash working capital. Management uses this calculation as part of its free cash flow calculation.

	Three months ended December 31,		**Year ended December 31,**	
(in millions of dollars)	**2015**	**2014**	**2015**	**2014**
Net cash generated from operating activities	8.1	16.0	42.1	53.2
Add (deduct):				
Income taxes paid	1.0	0.9	4.0	3.5
Net change in non-cash working capital	2.8	(2.2)	0.6	(5.2)
Cash generated from operations	11.9	14.7	46.7	51.5

ADJUSTED FREE CASH FLOW & FREE CASH FLOW

Management uses free cash flow and adjusted free cash flow to reflect the Company's ability to meet its capital requirements.

	Three months ended December 31,		**Year ended December 31,**	
(in millions of dollars)	**2015**	**2014**	**2015**	**2014**
Cash generated from operations	11.9	14.7	46.7	51.5
Additions to property, plant and equipment - replacement	(3.7)	(4.1)	(11.6)	(18.1)
Proceeds from disposal of property, plant and equipment	1.4	1.0	4.7	2.8
Adjusted free cash flow	9.6	11.6	39.8	36.2
Net change in non-cash working capital	(2.8)	2.2	(0.6)	5.2
Additions to property, plant and equipment - growth	(4.3)	(0.8)	(6.3)	(6.9)
Free cash flow	2.5	13.0	32.9	34.5

EBITDA AND ADJUSTED EBITDA

EBITDA refers to net income before income taxes, finance and other costs, depreciation and amortization and gain on sale of property, plant and equipment. Adjusted EBITDA is calculated as EBITDA before revaluation of NCI. Management believes EBITDA and adjusted EBITDA are useful measures in determining the Company's ability to generate cash from its operations.

	Three months ended December 31,		**Year ended December 31,**	
(in millions of dollars)	**2015**	**2014**	**2015**	**2014**
Net income	4.5	5.0	16.4	16.2
Depreciation and amortization	5.8	6.7	23.7	26.0
Gain on sale of property, plant and equipment	(0.3)	(0.4)	(1.3)	(1.2)
Finance & other costs	0.8	1.2	2.9	4.9
Income taxes	2.1	1.6	5.3	4.9
EBITDA	12.9	14.1	47.0	50.8
Revaluation of NCI	(1.1)	-	(1.3)	-
Adjusted EBITDA	11.8	14.1	45.7	50.8

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

Management believes that adjusted net income and adjusted earnings per share helps to provide an understanding of what net income and earnings per share would have been if only items relating to operating activities were included.

	Three months ended December 31,		**Year ended December 31,**	
(in millions of dollars)	**2015**	**2014**	**2015**	**2014**
Net income	4.5	5.0	16.4	16.2
Market value gain on derivatives	-	(0.1)	(0.1)	(0.2)
Revaluation of forward contract	-	0.2	(0.1)	0.6
Revaluation of non-controlling interest liability	(1.1)	-	(1.3)	-
Adjusted net income	3.4	5.1	14.9	16.6
Adjusted earnings per share (basic)	0.12	0.18	0.53	0.59
Weighted average number of shares	28.1	28.1	28.1	28.1

Operating Ratio Before Interest & Tax

Management believes operating ratio before interest and tax provides a benchmark for evaluating the Company's performance.

	Three months ended December 31,		Year ended December 31,	
(in millions of dollars)	**2015**	**2014**	**2015**	**2014**
Net direct costs	68.5	73.5	275.9	286.7
Selling and administrative costs	12.4	14.6	52.8	57.2
Depreciation and amortization	5.8	6.7	23.7	26.0
Gain on disposal of property, plant and equipment	(0.3)	(0.4)	(1.3)	(1.2)
	86.4	94.4	351.1	368.7
Revenue before fuel surcharges	92.7	102.2	374.4	394.7
Operating ratio	93.2%	92.4%	93.8%	93.4%

OTHER MD&A REQUIREMENTS

Disclosure Controls and Internal Control over Financial Reporting

The CEO and the CFO have required that disclosure controls and procedures and internal controls over financial reporting be designed under their supervision. Disclosure controls and procedures have been designed and evaluated to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the CEO and CFO, on a timely basis so that applicable securities legislation requirements pertaining to public disclosure are achieved. As at December 31, 2015, an evaluation was carried out, under the supervision of the CEO and CFO, of the design and effectiveness of the Company's disclosure controls and procedures. Based on this evaluation, it was concluded that the Company's disclosure controls and procedures were effective on December 31, 2015.

Internal controls over financial reporting have been designed by management to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management continues to review and enhance internal controls and procedures. Due to their inherent limitations, internal control over financial reporting may not prevent or detect misstatements, errors or fraud. As at December 31, 2015, an evaluation was carried out, under the supervision of the CEO and CFO, of the design and effectiveness of the Company's internal controls over financial reporting. Based on this evaluation, using the framework established in "Internal Control – Integrated Framework (COSO 2013 Framework) published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)", it was concluded that the Company's internal controls over financial reporting were effective at December 31, 2015

In addition, the CEO and CFO have concluded that there have been no changes in internal controls for the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

OUTLOOK

The Canadian economy is expected to have positive modest growth for 2016 with oil prices expected to trend modestly higher near the end of 2016. The significant cuts in capital spending in the energy sector are also expected to ease in 2016. This indicates that demand for transportation services will remain relatively flat or slightly lower for 2016 so we are not anticipating any real growth from our customers in the resource based industries that we serve. The weak Canadian dollar may improve transportation revenue in some of the commodities we haul in the eastern Canadian provinces as exports increased during the last half of 2015 and are not expected to decrease materially into 2016. Therefore, Trimac expects 2016 to be another challenging year; we will remain diligent in managing costs while looking to achieve growth in our customer products and geographies of Canada where economic activity is improving. As the economy improves, Trimac will be well positioned to improve its profitability and gain market share.

SUBSEQUENT EVENTS

The Board of Directors today, March 2, 2016, declared a dividend of $0.07 per common share, payable on April 15, 2016 to shareholders of record at the close of business on March 31, 2016.

Effective January 1, 2016 Trimac renewed and extended its credit facility with the same terms to July 31, 2019.

TRIMAC TRANSPORTATION LTD.

Management's Responsibility of Financial Information

To the Shareholders of Trimac Transportation Ltd.

The accompanying consolidated financial statements and all information in the Annual Report have been prepared by management and approved by the Board of Directors of the Corporation. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. Management is responsible for the accuracy, integrity and objectivity of the consolidated financial statements within reasonable limits of materiality and for the consistency of financial data included in the text of the Annual Report with that in the consolidated financial statements.

Where estimates are used in the preparation of these financial statements, management has ensured that careful judgment has been made and that these estimates are reasonable, based on all information known at the time the estimates are made. Management has implemented appropriate internal controls that provide reasonable assurance, not absolute assurance due to their inherent limitations, that the financial statements have been prepared free of material misstatement, whether due to fraud or error.

The Board of Directors of the Corporation are responsible for ensuring that management fulfills its responsibilities for financial reporting, and the Board has reviewed and approved these consolidated financial statements, Management's Discussion and Analysis and Annual Report.

PricewaterhouseCoopers LLP has independently audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report outlines the nature of their audits and expresses their opinion on the consolidated financial statements.

Jeffrey J. McCaig
Chairman of the Board
Trimac Transportation Ltd.

Edward V. Malysa
President & Chief Operating Officer
Trimac Transportation Ltd.

March 2, 2016

TRIMAC TRANSPORTATION LTD.

Independent Auditor's Report

March 2, 2016

Independent Auditor's Report

To the Shareholders of
Trimac Transportation Ltd.

We have audited the accompanying consolidated financial statements of Trimac Transportation Ltd. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Trimac Transportation Ltd. and its subsidiaries as at December 31, 2015 and December 31, 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

TRIMAC TRANSPORTATION LTD.

Consolidated Statements of Financial Position
(thousands of Canadian dollars)

As at	Note	**December 31, 2015**	December 31, 2014
Assets			
Cash and cash equivalents		**4,152**	4,932
Trade and other receivables	5	**37,464**	42,236
Materials and supplies		**2,831**	2,996
Due from related parties	17	**310**	161
Income taxes recoverable		**482**	397
Prepaid expenses	6	**5,045**	5,938
Current assets		**50,284**	56,660
Property, plant and equipment	7	**141,451**	150,479
Intangible assets and goodwill	8	**11,348**	11,529
Other assets		**78**	183
Non-current assets		**152,877**	162,191
Total Assets		**203,161**	218,851
Liabilities			
Bank indebtedness		**541**	1,031
Trade payables and other liabilities		**27,275**	33,728
Due to related parties	17	**-**	167
Current portion of forward contract		**-**	3,919
Current maturities of long-term debt	13	**373**	2,452
Current maturities of interest rate cap derivatives	21	**-**	185
Current liabilities		**28,189**	41,482
Long-term debt	13	**82,380**	90,685
Interest rate cap derivative	21	**221**	127
Due to related party	17	**82**	122
Deferred income tax liabilities	20	**13,369**	11,928
Other long-term liabilities		**2,388**	2,298
Non-current liabilities		**98,440**	105,160
Non-controlling interest liability	24	**19,781**	21,054
Total liabilities		**146,410**	167,696
Equity			
Share capital	18	**48,896**	48,787
Contributed surplus		**1,010**	972
Accumulated other comprehensive income		**356**	165
Retained earnings (deficit)		**6,489**	(1,723)
Equity attributable to owners of the parent		**56,751**	48,201
Non-controlling interest	23	**-**	2,954
Total equity		**56,751**	51,155
Total liabilities & equity		**203,161**	218,851

Commitments and contingencies (note 16)

The accompanying notes are an integral part of these consolidated financial statements.

By Order of the Board:

Gerald A. Romanzin, Director

Jeffrey J. McCaig, Director

TRIMAC TRANSPORTATION LTD.

Consolidated Statements of Income

(thousands of Canadian dollars except per share amounts)

Year ended December 31,	Note	2015	2014
Transportation revenue		**332,490**	353,373
Fuel surcharges		**22,084**	53,409
Non-trucking revenue		**41,853**	41,330
Total revenue		**396,427**	448,112
Direct costs		**297,960**	340,116
Selling and administrative		**52,806**	57,152
Depreciation		**23,532**	25,382
Amortization		**181**	652
Gain on sale of property, plant and equipment		**(1,348)**	(1,198)
Total operating expense	9	**373,131**	422,104
Operating earnings		**23,296**	26,008
Finance income		**(813)**	(227)
Finance costs		**3,742**	4,551
Other		**(74)**	614
Finance and other costs	11	**2,855**	4,938
Income before income tax expense		**20,441**	21,070
Current income tax		**3,900**	4,092
Deferred income tax		**1,425**	769
Income tax expense	20	**5,325**	4,861
Net income before revaluation of non-controlling interest liability		**15,116**	16,209
Revaluation of non-controlling interest liability	24	**(1,273)**	-
Net income for the year		**16,389**	16,209
Net income attributable to:			
Owners of Trimac Transportation Ltd.		**16,389**	15,821
Non-controlling interest	23	**-**	388
		16,389	16,209
Earnings per share			
Basic	19	**0.58**	0.58
Diluted	19	**0.58**	0.57

The accompanying notes are an integral part of these consolidated financial statements.

TRIMAC TRANSPORTATION LTD.

Consolidated Statements of Comprehensive Income
(thousands of Canadian dollars)

Year ended December 31,	**2015**	2014
Net income for the year	**16,389**	16,209
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to net income		
Foreign currency translation adjustments	**191**	53
Items that will not be reclassified to net income		
Remeasurements for post-employment benefit plan, net of taxes of $16 (2014 - $113)	**76**	404
Other comprehensive income for the year	**267**	457
Total comprehensive income for the year	**16,656**	16,666
Comprehensive income attributable to:		
Owners of Trimac Transportation Ltd.	**16,656**	16,278
Non-controlling interest	**-**	388
	16,656	16,666

The accompanying notes are an integral part of these consolidated financial statements.

TRIMAC TRANSPORTATION LTD.

Consolidated Statements of Changes in Equity
(thousands of Canadian dollars)

	Note	Share capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings (deficit)	Total	Non-controlling interest	Total equity
		Equity attributable to owners of the parent						
		$	$	$	$	$	$	$
At December 31, 2014		48,787	972	165	(1,723)	48,201	2,954	51,155
Net income for the year		-	-	-	16,389	16,389	-	16,389
Other comprehensive income for the year		-	-	267	-	267	-	267
Actuarial (gain) recognized		-	-	(76)	76	-	-	-
Comprehensive income for the year		**-**	**-**	**191**	**16,465**	**16,656**	**-**	**16,656**
Purchase of non-controlling interest	23	-	-	-	2,954	2,954	(2,954)	-
Share based compensation expense	22	-	369	-	-	369	-	369
Issuance of shares	18	331	(331)	-	-	-	-	-
Share purchase from the normal course issuer bid	18	(222)	-	-	(494)	(716)	-	(716)
Dividends and distributions declared		-	-	-	(10,713)	(10,713)	-	(10,713)
At December 31, 2015		**48,896**	**1,010**	**356**	**6,489**	**56,751**	**-**	**56,751**
At December 31, 2013		48,442	876	112	(8,972)	40,458	4,950	45,408
Net income for the year		-	-	-	15,821	15,821	388	16,209
Other comprehensive loss for the year		-	-	457	-	457	-	457
Actuarial gain recognized		-	-	(404)	404	-	-	-
Comprehensive income for the year		-	-	53	16,225	16,278	388	16,666
Purchase of non-controlling interest		-	-	-	2,084	2,084	(2,084)	-
Share based compensation expense	22	-	441	-	-	441	-	441
Issuance of shares	18	345	(345)	-	-	-	-	-
Dividend paid to non-controlling interest	23	-	-	-	-	-	(300)	(300)
Dividends and distributions declared		-	-	-	(11,060)	(11,060)	-	(11,060)
At December 31, 2014		48,787	972	165	(1,723)	48,201	2,954	51,155

The accompanying notes are an integral part of these consolidated financial statements.

TRIMAC TRANSPORTATION LTD.

Consolidated Statements of Cash Flows

(thousands of Canadian dollars)

For the year ended December 31,	Note	2015	2014
Operating activities			
Operating earnings		**23,296**	26,008
Adjustments for:			
Depreciation and amortization		**23,713**	26,034
Gain on sale of property, plant and equipment		**(1,348)**	(1,198)
Foreign exchange		**686**	-
Other non-cash items		**308**	703
Income taxes paid		**(3,985)**	(3,525)
Net change in non-cash working capital:			
Trade and other receivables		**4,772**	1,907
Materials and supplies		**165**	(407)
Prepaid expenses		**893**	220
Trade payables and other liabilities		**(6,099)**	2,676
Related party balances		**(356)**	792
Net cash generated from operating activities		**42,045**	53,210
Investing activities			
Purchase of property, plant & equipment	7	**(17,897)**	(24,961)
Proceeds on sale of property, plant and equipment		**4,741**	2,757
Acquisition of business, net of cash acquired	15	**-**	(816)
Payment on forward contract		**(3,845)**	(2,997)
Changes in non-cash working capital items		**(129)**	(196)
Other		**220**	(47)
Net cash used in investing activities		**(16,910)**	(26,260)
Financing activities			
Bank advances (net)		**-**	(110)
Increase in long-term debt	13	**2,155**	-
Repayments of long-term debt	13	**(12,539)**	(4,933)
Finance costs paid		**(3,607)**	(4,435)
Repurchase of common shares	18	**(716)**	-
Dividend paid to non-controlling interest	23	**-**	(300)
Distributions paid to non-controlling interests		**(2,840)**	(3,195)
Dividends paid		**(7,878)**	(7,855)
Net cash used in financing activities		**(25,425)**	(20,828)
Increase in net cash		**(290)**	6,122
Net cash, beginning of the year		**3,901**	(2,221)
Net cash, end of the year		**3,611**	3,901
Cash and cash equivalents		**4,152**	4,932
Bank indebtedness		**(541)**	(1,031)
		3,611	3,901

The accompanying notes are an integral part of these consolidated financial statements.

TRIMAC TRANSPORTATION LTD.

Notes to the Consolidated Financial Statements
(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

1. DESCRIPTION OF THE BUSINESS

Trimac Transportation Ltd. ("Trimac" or the "Company") is Canada's largest bulk trucking services provider, with operations from coast to coast.

The accompanying consolidated financial statements include the accounts of Trimac, Trimac Transportation Services Inc., Trimac Transportation Services Limited Partnership and its subsidiaries. All of these entities are 100 percent owned by Trimac as of December 31, 2015 with the exception of one partnership which is 29 percent owned. As Trimac concluded that they had control as defined under International Financial Reporting Standards ("IFRS") 10 over this partnership throughout the year, 100 percent of its operations has been consolidated into these financial statements and an offsetting non-controlling interest liability was recorded for the portion not owned by Trimac.

Trimac is a Canadian company listed on the Toronto Stock Exchange ("TSX"). The address of its registered office is 3215 – 12 Street N.E., Calgary, Alberta, Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"), and as applicable to entities reporting under IFRS.

These consolidated financial statements were authorized for issuance by Trimac's board of directors on March 2, 2016.

b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain assets and liabilities to fair value for derivative instruments.

c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is Trimac's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand except where otherwise noted.

d) Use of estimates and judgements

The preparation of these consolidated financial statements requires management to use judgements, estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of certain assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of certain revenues and expenses. Estimates and judgements are used in the valuation of goodwill, intangible assets, trade receivables, identified assets and liabilities acquired in business combinations, income taxes, non-controlling interest liability, derivatives and contingencies. These estimates and assumptions are based on management's best estimates and judgements at the time of the valuation, and are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under existing circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The significant estimates and judgements made by management in applying Trimac's accounting policies and key sources of estimating uncertainty have been disclosed in note 4.

Changes to accounting policies

Trimac has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2015. These changes were made in accordance with the applicable transitional provisions and had no material impact on Trimac's consolidated financial statements.

Trimac has adopted the amendment to IAS 19, Employee Benefits, which clarified the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

Trimac has adopted the amendment to IAS 24, Related Party Disclosures, which clarified the identification and disclosure requirements for related party transactions when key management personnel services are provided by a management entity.

Trimac has adopted the amendment to IFRS 2, Share-based Payments, which clarified the definition of vesting and market conditions and added definitions for performance and service conditions.

Trimac has adopted the amendment to IFRS 8, Operating Segments, which added a disclosure requirement for the aggregation of operating segment and clarified the reconciliation of the total reportable segments' assets to the entity's assets.

Trimac has adopted the amendment to IFRS 13, Fair Value Measurement, which clarified that short-term receivables and payables with no stated interest rates can be measured at invoice amounts if the effect of discounting is immaterial. It also clarified that portfolio exception can be applied not only to financial assets and liabilities, but also to other contracts within the scope of IFRS 39 and IFRS 9.

Accounting standards issued but not yet applied

IAS 1, Presentation of Financial Statements, has been revised to incorporate amendments issued by the IASB in December 2014. The amendments clarify the existing presentation and disclosure requirements in IAS 1 and provide guidance to assist entities to apply judgement in determining what information to disclose, and how that information is presented in their financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016. Management has assessed that there will be no material impact on its consolidated financial statements with respect to this revision.

IFRS 9, Financial Instruments, this standard replaces the requirements in IAS 39, Financial Instruments: Recognition and Measurement for classifying and measuring of financial assets and liabilities. The standard retains significant portions of the IAS 39 requirements. The main changes are in classification and measurement of financial assets, impairment of financial assets and hedge accounting. Classification and measurement of financial liabilities remained unchanged except for financial liabilities that are measured at fair value through profit and loss. IFRS 9 is applicable to annual periods beginning on or after January 1, 2018. Management has not yet assessed the impact this standard will have on the consolidated financial statements.

IFRS 15, Revenue from contracts with customers, requires revenue to be recognized when a customer obtains control of a good or service. Control is determined by the ability to direct the use of and obtain the benefits from the good or service. Transfer of control is not the same as transfer of risks and rewards, nor is it necessarily the same as the culmination of an earnings process. New guidance will need to be applied to determine whether revenue should be recognized over time or at a point in time. IFRS 15 is applicable to annual periods beginning on or after January 1, 2018. Management is currently assessing the retrospective transition provisions available and the impact this standard will have on the consolidated financial statements.

IFRS 16, Leases. In January 2016, the IASB issued IFRS 16, which is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Management has not yet assessed the impact on the consolidated financial statements.

Consolidation

a) Subsidiaries

The financial statements consolidate the accounts of Trimac and all of its subsidiaries. Subsidiaries are entities over which Trimac has control. Control comprises of the power to govern an entity's financial and operating policies to obtain benefits from its activities. Subsidiaries are fully consolidated on a line-by-line basis, recognizing all their assets, liabilities, income and expenses and recording any non-controlling interest for the portion not owned by Trimac from the date on which control is obtained. Subsidiaries are de-consolidated from the date control ceases.

Inter-company transactions, balances and unrealized gains and losses on transactions between Trimac and it subsidiaries are eliminated. When required, amounts reported by subsidiaries are adjusted to conform to Trimac's accounting policies.

b) Business combinations

Business combinations with third parties are accounted for using the acquisition method. The cost of the acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, Trimac measures the non-controlling interest in the acquiree at fair value of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When Trimac acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of any embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in the statement of income.

Any forward contract to be transferred by Trimac is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the forward contract that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in the statement of income or as a change to other comprehensive income.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statement of income.

Business combinations with related parties are described under related party transactions.

c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the acquired share of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

d) Related party transactions

A person or entity is considered to be a related party if it has the ability to control, or jointly control, or be able to exercise significant influence over the other party in making financial and operational decisions in accordance with IAS 24, Related Party Disclosures. Trimac has chosen to account for business combinations with related parties using predecessor accounting without restating prior period amounts. As such, business combinations with related parties are recorded at carrying values of the assets acquired. Any difference between the consideration paid and the carrying values are recorded to equity.

e) Non-controlling interest liability

The non-controlling interest liability represents equity interests in subsidiaries owned by outside parties. The subsidiaries are generally limited life partnerships. The share of net assets of subsidiaries attributable to the non-controlling interests are presented as components of liabilities at fair value with changes in the amortized cost being recorded to the consolidated statement of income.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Foreign currency translation

a) Functional and presentation currency

The consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). These statements are presented in Canadian dollars, which is Trimac’s functional currency.

The financial statements of entities that have a functional currency different from that of Trimac ("foreign operations") are translated into Canadian dollars as follows:

Assets and liabilities: at the closing rate at the date of the statement of financial position; and

Income and expenses: at the average monthly rate (as this is considered a reasonable approximation to actual rates).

All resulting changes are recognized in other comprehensive income as cumulative translation adjustments.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statement of income.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, term deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are presented as bank indebtedness in current liabilities.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business, and are expected to be collected within one year from the financial position date. Trade receivables are recognized initially at fair value less provision for impairment. Provision for impairment is remeasured in the event that management's expectation of collection changes.

The maximum exposure to credit risk at the reporting date is the carrying value of the receivables. Trimac does not hold any collateral as security.

Materials and supplies

Materials and supplies are measured at the lower of cost and net realizable value, with cost being determined on a weighted average basis. Net realizable value is the estimated selling price less applicable selling expenses.

Prepaid expenses

Prepaid expenses consist primarily of payments made in advance for expenses related to the next fiscal year. The amounts are expensed in or amortized over the period in which economic benefit is received. Prepaid expenses primarily include annual insurance and licensing payments and annual contract renewals.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical costs include expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Trimac and the cost of the item can be measured reliably. The carrying amount of the replaced asset is derecognized. All other repairs and maintenance expenses are charged to the consolidated statement of income during the financial year in which they are incurred.

Land is not depreciated. Depreciation on all other assets is calculated using rates which are expected to reduce carrying values to the estimated residual values over the assets' estimated useful lives as follows:

Asset	Estimated useful life	Depreciation Method
Bulk hauling units		
Highway tractors	5 to 7 years	Declining balance (5% residual)
Highway trailers	7 to 15 years	Straight-line (4% residual)
Buildings and yard improvements	25 years	Straight-line
Furniture, fixtures and other equipment	3 to 10 years	Straight-line

The assets' residual values and estimated useful lives are reviewed, and adjusted if required, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals arise when proceeds are higher or lower than the carrying amount and are recognized separately in the consolidated statement of income.

Intangible assets

a) Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of Trimac's share of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of Trimac's cash generating units (CGUs) that are expected to benefit from the synergies of the combination. Each unit to which the goodwill is allocated represents the lowest level within Trimac at which the goodwill is monitored for internal management purposes. Trimac monitors goodwill at each CGU within the bulk trucking segment.

Goodwill is tested for impairment on an annual basis and more frequently when an indicator of impairment exists, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity will include the carrying amount of goodwill relating to the entity sold.

b) Contractual customer relationships and non-compete agreements

Contractual customer relationships and non-compete agreements acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationship and non-compete agreement. These assets are reviewed for impairment whenever events or changes in circumstances indicate that the asset's carrying value may be higher than the recoverable amount. An impairment loss is recognized for the amount by which carrying values exceed the recoverable amounts.

Bank advances

Bank advances are presented as short-term liabilities and are repayable within twelve months of reporting date.

Trade payables and other liabilities

Trade payables and other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables and other liabilities are classified as current liabilities as payment is due within one year or less.

Trade payables and other liabilities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Long-term debt

Borrowings are recognized initially at fair value less transaction costs.

Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Financial assets

a) Classification

Financial assets and liabilities are recognized when Trimac becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and Trimac has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

All financial instruments are initially recorded at fair value with subsequent accounting based on their classification. The following is a summary of the classification of Trimac's financial assets and liabilities:

Cash and cash equivalents, trade and other receivables and amounts due from related parties are classified as loans and receivables and are measured at amortized cost. The carrying amount in the consolidated statement of financial position is at historical cost which approximates fair value due to the short maturity of these instruments;

The interest rate cap and other forward contracts are derivative instruments and are measured at fair value;

- Bank indebtedness, trade payables and other liabilities, and amounts due to related parties are classified as other financial liabilities and measured at amortized cost. The carrying amount included in the consolidated statement of financial position is at historical cost which approximates fair value due to the short maturity of these instruments;
- Non-controlling interest liability is classified as other financial liabilities and measured at fair value with changes being recorded in the consolidated statement of income; and
- Long-term debt is classified as other financial liabilities and measured at amortized cost. The carrying amount included in the consolidated statement of financial position is at historical cost.

Trimac has determined it currently has no embedded derivative instruments that are required to be recorded at fair value.

When measuring fair value of financial assets and liabilities, including derivatives, Trimac takes both counterparty and its own credit risk into account.

b) Recognition and measurement

Regular purchases and sales of financial assets are recognized on the date on which Trimac commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the consolidated statement of income. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and Trimac has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are presented as a net amount in the consolidated statement of income in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the consolidated statement of income as part of other income when Trimac’s right to receive payments is established.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Impairment of financial assets

At each reporting date, Trimac assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, Trimac recognizes an impairment loss. The criteria used to determine if there is evidence of an impairment loss include, but are not limited to:

- significant financial difficulty of the obligor;
- delinquencies in payments; and
- it becomes probable that the borrower will enter bankruptcy.

Financial assets are carried at amortized cost. The impairment loss, if any, is the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent years if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Impairment of non-financial assets

Property, plant and equipment and long-lived assets not subject to amortization are assessed for any indication of impairment at the end of each reporting period. Trimac performs an impairment test if an indication of impairment exists. Assets subject to amortization are reviewed when events or changes in circumstances indicate that their carrying amounts may be higher than their recoverable amounts. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows, CGUs. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Derivative financial instruments

Trimac uses derivative financial instruments to manage its foreign currency and interest rate risk exposures. These financial instruments are entered into solely for hedging purposes and are not used for speculative purposes. All derivative financial instruments are recognized on the consolidated statement of financial position at the estimated fair value at each reporting date. The estimated fair value of the derivative financial instruments is determined based on appropriate third party indications. Trimac has entered into interest rate cap contracts to manage its fixed to floating interest rate mix on certain of its long-term debt. The interest rate cap contracts require the yearly exchange of payments without the exchange of the notional principal amounts on which the payments are based. The derivatives have not been designated as a hedge for accounting purposes.

Changes in the fair value of interest rate cap contracts are included in consolidated net income using the mark-to-market method of accounting.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and volume rebates. Revenue, including related fuel surcharges, for the trucking business is recognized when:

- goods are delivered and the significant risks and rewards of ownership and control have been transferred;
- the amount of revenue can be measured reliably;
- receipt of economic benefits is probable; and
- costs incurred can be measured reliably.

Revenue for the logistics business and the repairs, maintenance and washrack business is recognized when:

- service has been completed;
- the amount of revenue can be measured reliably;
- the receipt of economic benefits is probable; and
- costs incurred can be measured reliably.

Current and deferred income tax

The tax expense for the year comprises of current and deferred tax. Tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by Trimac and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable income available against which the temporary difference can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Employee benefits

a) Post-employment benefit obligations

Employees of the companies included in these consolidated financial statements have entitlements under company pension plans which are either defined contribution or defined benefit pension plans.

A defined contribution plan is a pension plan under which Trimac pays fixed contributions into a separate entity. Trimac has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The cost of defined contribution pension plans is charged to expense as the contributions become payable.

A defined benefit plan is a pension plan that is not a defined contribution plan.

The cost of the defined benefit plan is determined using the projected unit credit method. The related pension liability recognized in the statement of financial position is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets.

An actuarial valuation for the defined benefit plan is carried out on an annual basis. The discount rate applied in arriving at the present value of the pension liability is based on the market rate for high quality corporate bonds that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses are recognized in full in the year in which they occur, in other comprehensive income. Current service cost, the recognized element of any past service cost, the expected return on plan assets and the interest arising on the pension liability are included in the same line items in the consolidated statement of income as the related compensation cost.

As of December 31, 2015 the Company had wound up its defined benefit plan. According to the termination report filed with the Office of the Superintendent of Financial Institutions and Canada Revenue Agency, no pension liability remained. The remaining pension liability was recorded as an expense recovery in other comprehensive income.

b) Termination benefits

Trimac recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing benefits as a result of an offer made to encourage voluntary termination. Benefits falling due more than twelve months after the end of the reporting year are discounted to their present value.

Share-based payments

Performance Share Unit Plan (PSUP)

Trimac grants full value share awards to certain employees. These awards consist of time based share units and performance based share units. The time based awards vest one third per year over a three year period. Since the participant must take 30 percent of the vested amount in cash, the awards are set up as a compound instrument with 30 percent of the grant amount as a liability and 70 percent as equity. Each tranche in an award is considered a separate award with its own vesting year and grant date fair value. For the equity-settled portion, the fair value is determined based on the share price as traded on the TSX at the date of the grant. For the cash-settled portion, the fair value of each tranche is measured using the share price traded on the TSX at each reporting date. The performance based share units vest based on Trimac's total shareholder return ("TSR") over three years compared to the TSR for the S&P/TSX Capped Industrials Index. As the participants of the performance based share units must take 30 percent of the vested amount in cash, the grants have been set up with 30 percent of the grant amount as a liability and 70 percent as equity. The liability portion is included in other long-term liabilities on the statement of financial position until the third year when it becomes payable within one year and is included in current liabilities.

Deferred Share Unit Plan (DSU)

Trimac has a DSU plan for the non-management directors of Trimac. Under this plan, with Board of Directors approval, the directors are granted discretionary DSUs and also have the option to receive half or all of their annual retainer compensation in the form of DSUs instead of cash. The number of DSUs issued for retainer compensation is based on the fair market value, as defined by the plan, of Trimac's Class A shares on the date the DSUs were issued. DSUs are entitled to notional dividends that are reinvested into additional DSUs. The number of DSUs issued for the notional dividends is based on the fair market value of Trimac's Class A shares, as defined by the plan, on the date the dividends are paid.

The DSUs are measured using the share price traded on the TSX at each reporting date. Since the DSUs vest immediately, they are recorded as a current liability on the statement of financial position.

Provisions

General provisions are recognized in trade payables and other liabilities when Trimac has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured using management's best estimate of the expenditure required to settle the obligation at the end of the reporting year. Provisions are recognized using a probability worksheet which lists all outstanding claims with relevant input provided by independent legal counsel and third party insurance providers. Probability ratios of low, medium and high settlement amounts are calculated using management's best judgement and an estimated provision is recorded using the weighted average probability ratio. These provisions are discounted to present value where the effect is material.

Leases

Trimac leases certain property, plant and equipment. Leases of equipment where Trimac has substantially acquired all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of income on a straight-line basis over the period of the lease.

Earnings per share

Basic earnings per share are calculated by dividing the net income for the year by the weighted average number of Class A shares.

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding for dilutive instruments. Trimac's potentially dilutive shares are comprised of share awards granted to employees under the performance share unit plan.

Dividends

Dividends to Trimac's shareholders are recognized as a liability in Trimac's financial statements in the period in which the dividends are approved by Trimac's Board of Directors.

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

3. FINANCIAL RISK MANAGEMENT

Financial risk factors

Trimac is exposed to various risks associated with its financial instruments. These risks are as follows:

a) Credit risk

Trimac hauls a wide variety of bulk materials for a broad customer base spanning numerous industries. The credit risk is considered to be low and not overly concentrated due to the strength, diversity and long-standing relationships which exist with a substantial portion of the customer base. Additionally, Trimac has a system of credit management to mitigate the risk of losses due to insolvency or bankruptcy of its customers. At December 31, 2015, current trade receivables (i.e. less than 30 days) comprised 81 percent of Trimac's total receivable base while the average number of days that sales were in accounts receivable was 29 days. At December 31, 2014, current trade receivables were 82.8 percent of the total and the average number of days that sales were in accounts receivable was 28 days. Trimac's credit management constantly monitors receivable balances and new customers are subject to extensive credit checks to ensure that any potential credit risks are minimized. Provisions have been estimated by management and included in the accounts to recognize potential impairments. The provision for impairment on trade receivables was $203 at December 31, 2015 (December 31, 2014 – $200). Trade receivables of $523 at December 31, 2015 (December 31, 2014 - $1,058) are over sixty days old but are not considered impaired.

The following table lists the accounts receivable balances that Trimac has not taken a provision on:

	Current	31-60 days	Over 60 days	Over 90 days	Total
As at December 31, 2015	30,347	6,594	523	-	**37,464**
Percentage of total	81.0%	17.6%	1.4%	0.0%	**100.0%**
As at December 31, 2014	34,981	6,197	1,058	-	**42,236**
Percentage of total	82.8%	14.7%	2.5%	0.0%	**100.0%**

b) Interest rate risk

The Company's current credit agreement has a $45,000 interest rate swap facility that can, at management's discretion, be used to lock in fixed interest rates for a period of up to seven years. Trimac currently has $10,000 of debt fixed under this interest rate swap facility which expires in December 2017. The interest rate risk has increased as at December 31, 2015 compared to December 31, 2014 due to the decrease in the amount fixed under the swap facility. Excluding the $10,000 of debt that Trimac currently has fixed under the interest rate swap facility, approximately 86 percent or $70,871 of long-term debt is subject to floating interest rates. A one percent movement in the prime rate would have resulted in a $440 charge to net income for the year ended December 31, 2015, (December 31, 2014 - $391).

c) Foreign exchange risk

Trimac operates within Canada and the U.S. and is exposed to foreign exchange risk arising from changes in the Canadian/U.S. exchange rate. Foreign exchange risk arises on recognized assets and liabilities, principally trade receivables due to customers paying in U.S. dollars and trade payables primarily for equipment purchases. For the year ended December 31, 2015, if the Canadian dollar had weakened/strengthened by 20 percent against the U.S. dollar with all other variables remaining constant, net income for the year would have increased/decreased $721 (December 31, 2014 - $683). To mitigate foreign currency risk, from time to time, management enters into foreign exchange forward contracts, which generally expire within a twelve month period. As at December 31, 2015, no foreign currency forward contract was outstanding.

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

d) Liquidity risk

Trimac's ability to fund future operating activities and investments is represented by Trimac's financial liquidity. At December 31, 2015, this risk has decreased as compared to that at December 31, 2014 due to a decrease in long-term debt financing of $10,384. However, working capital has increased to $22,095 from $15,178 at December 31, 2014 to partially offset the decrease in liquidity risk. The tables below reflect the contractual maturities of Trimac's financial liabilities:

As at December 31, 2015	**Less than 1 year**	**1- 2 years**	**2 - 3 years**	**Thereafter**	**Total**
Trade payables	26,804	-	-	-	**26,804**
Due to related parties	-	28	27	27	**82**
Long-term debt (incl. interest)	3,662	83,185	427	427	**87,701**
Derivatives	71	71	-	-	**142**
Non-controlling interest liability	-	-	-	19,781	**19,781**
Other long-term liabilities	397	132	92	-	**621**
Financial liabilities	**30,934**	**83,416**	**546**	**20,235**	**135,131**

As at December 31, 2014	**Less than 1 year**	**1- 2 years**	**2 - 3 years**	**Thereafter**	**Total**
Trade payables	32,993	-	-	-	**32,993**
Due to related parties	167	41	41	40	**289**
Long-term debt (incl. interest)	6,147	4,671	91,694	-	**102,512**
Derivatives	248	71	59	-	**378**
Forward contract	3,919	-	-	-	**3,919**
Non-controlling interest liability	-	-	-	21,054	**21,054**
Other long-term liabilities	325	185	85	-	**595**
Financial liabilities	**43,799**	**4,968**	**91,879**	**21,094**	**161,740**

The required long-term debt payments, listed under 1-2 years includes a principal payment of $80,871 on the revolving credit facility described in note 13, which would only become payable if the credit agreement which is subject to renewal in July 2017 is not renewed. Effective January 1, 2016, the credit agreement was renewed to July 2019.

Trimac's process for managing liquidity risk includes preparing and monitoring capital and operating budgets, coordinating and authorizing project expenditures and authorizing contracted agreements.

As at December 31, 2015, $1,882 (December 31, 2014 – $3,534) of Trimac's long-term debt was at a fixed interest rate of 3.14 percent. The estimated fair value using the present value of expected cash outlays for principal and interest, based on an estimated rate for long-term debt with similar terms, was $1,737 at December 31, 2015. The remainder of Trimac's debt is at floating interest rates and the stated amount of outstanding principal is considered to be fair value.

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

e) Commodity price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price fluctuations. Due to the types of materials Trimac hauls, it is exposed to commodity price risk. This risk is mitigated by the diversification of products hauled and the broad customer base which spans numerous industries.

Trimac is also exposed to price risk from fluctuations in the price for fuel. To mitigate this risk the Company has a fuel surcharge program in place with its customers. Trimac manages consumption very closely to ensure the fleet operates as efficiently as possible.

Fair value

The following table provides information about the financial liabilities carried at fair value. The different levels according to the significance of the inputs used in making the measurements are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

	Quoted prices in active markets for identical assets (Level 1)	**Significant other observable inputs (Level 2)**	**Significant other unobservable inputs (Level 3)**	**Total financial liabilities**
Recurring measurements				
Derivatives - interest rate cap	-	**221**	**-**	**221**
Non-controlling interest liability	-	**-**	**19,781**	**19,781**
Balance, December 31, 2015	-	**221**	**19,781**	**20,002**
Derivatives - interest rate cap	-	312	-	312
Forward contract	-	-	3,919	3,919
Non-controlling interest liability	-	-	21,054	21,054
Balance, December 31, 2014	-	312	24,973	25,285

There were no transfers between levels 1, 2 and 3 during the year.

a) Financial instruments in Level 1:

Trimac does not have any financial instruments carried on the statement of financial position at fair value per quoted market prices as traded in active market.

b) Financial instruments in Level 2:

Trimac uses the following technique to value the financial instruments in Level 2:

- The fair value of the interest rate cap derivatives is calculated as the present value of the estimated future cash flows based on observable yield curves.

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

The change in the fair value of the interest rate caps of $91 was recorded as a market value gain on derivatives in the consolidated statement of income for the year ended December 31, 2015 (December 31, 2014 - $205).

The valuation of the interest rate cap derivatives is performed by a third party financial institution which provides the Company with the valuation on a quarterly basis.

c) Financial instruments in Level 3:

The forward contract on Trimac's statement of financial position as of December 31, 2014 related to the obligation to acquire the remaining 20 percent of a subsidiary which was settled on March 30, 2015. The following table presents the changes in the Level 3 forward contract for the year ended December 31, 2015.

Level 3 financial instruments	
Balance, December 31, 2014	3,919
Payout for 20% acquisition	(3,845)
Fair value adjustments	(74)
Balance, December 31, 2015	**-**

Trimac measures the fair value of the Level 3 non-controlling interest liability using a fair value less costs of disposal calculation. This calculation uses an earnings multiple approach where earnings before interest, taxes, depreciation and amortization ("EBITDA") is based on the average of current year EBITDA and 2016 budgeted EBITDA. The multiples are based on comparable multiples of public companies within the trucking industry.

The key assumptions used in the fair value less costs of disposal calculation included using an implied multiple based on comparisons of other public companies, see note 8. For budgeted EBITDA assumptions were made based on the likelihood that revenue would be earned based on future economic assumptions and estimates. See note 8 for revenue growth rates.

Based on these key assumption a 5 percent increase/decrease in budgeted EBITDA would have resulted in a higher/lower revaluation expense of $539. A change of 0.5 in the earnings multiple would result in a higher/lower revaluation expense of $2,472.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are noted below:

a) Provision for impairment of trade receivables

Trade receivables are revalued to fair value at each statement of financial position date and a provision is recorded for any impaired receivables. The valuation of trade receivables is performed using a probability of collection, depending on the risk involved and the days receivables are outstanding for. A provision is recorded when receivables are expected to be uncollectible.

b) Non-controlling interest liability

The non-controlling interest liability represents the 71 percent of a partnership that is owned by third parties. Trimac revalues this liability on each reporting date using estimates and judgements prepared by management.

c) Property, plant and equipment

Trimac determines the carrying value of its property, plant and equipment based on its property, plant and equipment policies, disclosed in note 2, that incorporate estimates, assumptions and judgements relative to the useful lives, remaining useful lives and salvage values of equipment and other assets. Trimac considers historical trends, conditions under which the assets are to be used and other industry related factors in determining the estimated useful lives of the assets. The estimated useful lives are reviewed at each statement of financial position date and adjusted if required.

d) Long-lived assets and goodwill

Trimac performs valuation of long-lived assets and goodwill annually, or when an indicator of possible impairment exists, which requires management to use certain estimates and assumptions. The method and assumptions used in the testing of goodwill are included in note 8.

e) Fair value of financial instruments

The methods and assumptions used in the fair value of financial instruments are included in note 3.

f) Income taxes

Trimac is subject to income taxes in numerous jurisdictions and significant judgement is required in determining the nationwide provision for income taxes.

Trimac's deferred tax assets and liabilities represent items that will result in a tax deduction or taxable income in future years for which Trimac has already recorded the related tax expense or benefit in the consolidated statement of income. Deferred taxes arise as a result of timing differences between recognition of an item in Trimac's consolidated statement of income and its corporate tax filings. Management assesses the likelihood of recovering the deferred tax assets from future taxable income and recognizes impairment when certain of no possible recovery.

The judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

g) Provisions and claims

Provisions represent insurance liabilities to Trimac for which the amount or timing is uncertain. Input from independent legal counsel and insurance providers are provided, based on their judgement and estimates. The actual amount owing may materially differ from the provision made. In addition, Trimac assesses the potential liability regarding any lawsuit or claim brought against Trimac. Management uses their judgement based on the input from the independent legal counsel and the insurance providers to designate a claim as low, medium or high probability. Due to the inherent uncertainties relating to the eventual outcome of litigation and potential insurance recovery, certain matters could ultimately be resolved for amounts materially different to provisions or disclosures previously made by Trimac.

h) Assessment of impairment indicators

Trimac tests impairment of long-lived assets with determinate useful lives when indications of impairment exist. Application of judgement is required in determining whether an impairment test is warranted.

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

i) Control indicators

Trimac uses certain factors to assess if it has control over certain entities which are not wholly-owned. Management's judgement is required to determine if control exists based on the control indicators listed in IFRS 10. Judgement is used to determine if Trimac has control over an entity through management's decisions of what the relevant activities of the entity are and how decisions over these activities are made in relation to the entity. Based on the day-to-day operations of the entity, Trimac assesses how daily operating decisions were made and who had those decision making rights. Judgement is also used to determine whether Trimac was exposed to or had rights to variable returns from its involvement with the entity and whether Trimac has the ability to use its control over the entity by Board representation and other means to affect the amount of the entity's returns.

5. TRADE AND OTHER RECEIVABLES

Year ended December 31,	**2015**	2014
Trade receivables	**36,067**	40,844
Less: provision for impairment of trade receivables	**(203)**	(200)
Trade receivables - net	**35,864**	40,644
Other	**1,600**	1,592
Trade and other receivables	**37,464**	42,236

The provision for impairment of trade receivables are as follows:

	2015	2014
At January 1,	**200**	199
Provision for receivables impairment	**203**	200
Amounts collected on impaired receivables	**(200)**	(199)
At December 31,	**203**	200

6. PREPAID EXPENSES

Year ended December 31,	**2015**	2014
Agreements	**815**	681
Licenses	**2,510**	2,398
Insurance	**962**	1,707
Other	**758**	1,152
Prepaid expenses	**5,045**	5,938

All prepaid expenses will be fully amortized within the next 12 months.

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

7. PROPERTY, PLANT AND EQUIPMENT

	Bulk hauling units	Land, buildings and yard improvements	Furniture, fixtures and other equipment	Total
Cost				
At January 1, 2014	287,924	58,729	54,288	**400,941**
Additions through business combinations	-	-	41	**41**
Other additions	19,660	3,045	2,256	**24,961**
Disposals	(16,978)	(110)	(1,312)	**(18,400)**
At December 31, 2014	290,606	61,664	55,273	**407,543**
Additions	12,303	1,353	4,241	**17,897**
Reclassifications	-	116	(116)	**-**
Disposals	(26,604)	(34)	(822)	**(27,460)**
At December 31, 2015	**276,305**	**63,099**	**58,576**	397,980
Depreciation				
At January 1, 2014	170,261	31,389	46,873	**248,523**
Depreciation	21,977	1,611	1,794	**25,382**
Disposals	(15,484)	(102)	(1,255)	**(16,841)**
At December 31, 2014	176,754	32,898	47,412	**257,064**
Depreciation	20,181	1,498	1,853	**23,532**
Disposals	(23,274)	(34)	(759)	**(24,067)**
At December 31, 2015	**173,661**	**34,362**	**48,506**	256,529
Net carrying amounts at January 1, 2014	117,663	27,340	7,415	**152,418**
Net carrying amounts at December 31, 2014	113,852	28,766	7,861	**150,479**
Net carrying amounts at December 31, 2015	**102,644**	**28,737**	**10,070**	141,451

Lease rentals amounting to $8,394 (December 31, 2014 - $9,179) relating to the lease of equipment and property are included in the consolidated statement of income.

At December 31, 2015, $1,882 of bulk hauling units were pledged as collateral for the term loan obligations described in note 13 (December 31, 2014 - $3,534).

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

As at December 31, 2015 management reviewed the carrying amounts of its property, plant and equipment and assessed for indicators of impairment which included:

- decrease in market demand,
- significant changes in the economic environment,
- significant portion of assets becoming idle or disposed of,
- management forecasts indicating economic performance to be worse than expected, and
- operating profits being worse than was budgeted.

These impairment indicators were present in the petroleum CGU, therefore the assets of this CGU along with its goodwill were tested for impairment, see note 8.

8. INTANGIBLE ASSETS AND GOODWILL

		Intangible assets		
	Goodwill	**Contractual customer relationships**	**Non-compete agreements**	**Total**
Cost				
At January 1, 2014	9,995	4,941	744	**15,680**
Additions through business combinations	313	-	-	**313**
At December 31, 2014	10,308	4,941	744	**15,993**
Additions	-	-	-	**-**
At December 31, 2015	**10,308**	**4,941**	**744**	**15,993**
Amortization				
At January 1, 2014	-	3,196	616	**3,812**
Amortization	-	543	109	**652**
At December 31, 2014	**-**	3,739	725	**4,464**
Amortization	-	162	19	**181**
At December 31, 2015	**-**	**3,901**	**744**	**4,645**
Net carrying amounts at January 1, 2014	9,995	1,745	128	**11,868**
Net carrying amounts at December 31, 2014	10,308	1,202	19	**11,529**
Net carrying amounts at December 31, 2015	**10,308**	**1,040**	**-**	**11,348**

a) Impairment tests for goodwill

Goodwill of $10,308 has been allocated to CGUs within Trimac's bulk trucking operating segment. Management uses judgement to allocate goodwill to each CGU or group of CGUs that are expected to benefit from the goodwill acquired in the business combination.

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

Trimac performed an impairment test at November 30, 2015 on the recorded goodwill of each CGU by comparing the recoverable amount to the carrying value of the CGU. The recoverable amounts of the CGUs were determined based on a fair value less costs of disposal calculation. These calculations, which were similar for each CGU, use an earnings multiple approach. In calculating earnings, the Company uses the past 12 months of actual data and Board approved budgets to determine EBITDA by CGU. To determine fair value, an implied multiple was applied to each CGU's EBITDA and budgeted EBITDA. The implied multiple was calculated by looking at multiples of other public companies by operating segment.

The key assumptions used in the fair value less costs of disposal calculation included using implied multiples based on comparisons of other public companies. Multiples used in each CGU were in the range of 3.9 to 7.8. For budgeted EBITDA, assumptions were made based on the likelihood that revenue would be earned based on estimated future economic assumptions. Revenue growth assumptions varied for each CGU. Some CGUs assumed negative growth in revenue in the range of 1.5 percent to 13.2 percent. Other CGUs assumed revenue growth rates in the range of 8 percent to 20 percent. In addition, specific risks relating to each CGU were separately factored into each CGU's budget.

An impairment analysis was prepared for each CGU comparing the fair value of each CGU to their carrying values. This analysis resulted in no impairment charge in the current year.

b) Sensitivity assumptions

For the Petroleum CGU, a change of 0.5 in the earnings multiple would cause an impairment charge of approximately $1,470. If the earnings multiple remained constant but budgeted EBITDA decreased 5 percent, this would also cause an impairment charge of $1,167.

Management performed sensitivity analysis on the key assumptions for the remaining CGUs. This analysis indicated reasonable changes to key assumptions would not result in impairment loss in any of the remaining CGUs.

9. EXPENSES BY NATURE

Expenses by nature include Trimac's direct costs, selling and administrative, depreciation and amortization and gain on sale of property, plant and equipment expenses. The direct costs include all expenses that are directly attributable to Trimac's operations including the appropriate employee benefits.

Year ended December 31,	**2015**	2014
Raw materials & consumables used	**35,309**	50,140
Employee wages & benefits	**133,283**	153,657
Repairs & maintenance	**17,705**	16,375
Facilities	**6,839**	6,706
Purchased transportation services	**131,889**	144,820
Administrative services	**13,403**	13,722
Depreciation & amortization	**22,365**	24,836
Non-finance lease rentals	**8,394**	9,179
Other expenses	**3,944**	2,669
Total expenses	**373,131**	422,104

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

10. EMPLOYEE WAGES & BENEFITS

Year ended December 31,	**2015**	2014
Salaries & wages	**131,399**	151,530
Pension costs	**1,261**	1,308
Stock-based compensation	**623**	819
Employee wages & benefits	**133,283**	153,657

11. FINANCE AND OTHER COSTS

Year ended December 31,	**2015**	2014
Interest on long-term debt	**3,345**	4,306
Other interest	**397**	245
Interest income	**(36)**	(22)
Market value gain on derivatives (net)	**(91)**	(205)
Foreign exchange	**(686)**	-
Revaluation of forward contract	**(74)**	614
Finance and other costs	**2,855**	4,938
Presented as:		
Finance income	**(813)**	(227)
Finance costs	**3,742**	4,551
Other	**(74)**	614
Finance and other costs	**2,855**	4,938

12. SEGMENT REPORTING

Trimac has three reportable operating segments. These operating segments have been differentiated by the business they operate, services they provide and the equipment required to meet customers' needs. The three segments are the bulk trucking segment which provides bulk trucking services across Canada, Bulk Plus Logistics ("BPL") segment which provides logistics services to the transportation industry in Canada and the United States and National Tank Services ("NTS") segment which provides repairs, maintenance, trailer fabrication and washrack services to both the Trimac fleet and to commercial customers.

Within the bulk trucking segment are CGUs for the various types of bulk commodities hauled. Management assessed the following economic indicators to determine aggregation of these CGUs: economic characteristics of the CGUs, the nature of the services provided for these CGUs, the type of customers, the method used to provide the services, and the regulatory environment the CGUs operate in. Management determined that based on these economic indicators as well as the sharing of equipment, facilities and professional drivers between CGUs, these CGUs were to be aggregated for reporting into the bulk trucking segment.

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

The business segments presented reflect the management structure of Trimac and the way in which management reviews business performance. Revenue is all directly related to the activity in a segment. Expenses are either directly related to a segment or, in the case of corporate administration and interest expenses, are centrally managed and allocated across the segments. Inter-segmental transactions are eliminated on consolidation.

A summary of operating results and total assets by segment for the years ended December 31, 2015 and December 31, 2014 are as follows:

	Total revenues	Direct	Selling and administrative	Depreciation and amortization	Gain on sale of property, plant and equip	Operating earnings	Finance and other costs	Income before income taxes	Total assets
Year ended December 31, 2015									
Bulk trucking	**354,575**	**268,971**	**48,888**	**21,715**	**(1,338)**	**16,339**	**2,489**	**13,850**	**176,279**
BPL	**20,888**	**15,041**	**1,379**	**403**	**(15)**	**4,080**	**(40)**	**4,120**	**21,981**
NTS	**55,458**	**48,442**	**2,539**	**1,595**	**5**	**2,877**	**406**	**2,471**	**18,413**
Inter-segment	**(34,494)**	**(34,494)**	**-**	**-**	**-**	**-**	**-**	**-**	**(13,512)**
Total	**396,427**	**297,960**	**52,806**	**23,713**	**(1,348)**	**23,296**	**2,855**	**20,441**	**203,161**
Year ended December 31, 2014									
Bulk trucking	406,782	310,614	53,055	23,920	(1,166)	20,359	4,452	15,907	190,364
BPL	22,618	16,767	1,778	507	(23)	3,589	23	3,566	18,909
NTS	54,240	48,263	2,319	1,607	(9)	2,060	463	1,597	19,094
Inter-segment	(35,528)	(35,528)	-	-	-	-	-	-	(9,516)
Total	448,112	340,116	57,152	26,034	(1,198)	26,008	4,938	21,070	218,851

Trimac had no customers which accounted for more than 10 percent of the total revenue during the years ended December 31, 2015 and December 31, 2014.

Non-current asset additions consisted of property, plant and equipment. Additions by segment were as follows:

Year ended December 31,	**2015**	2014
Bulk trucking	**16,893**	22,203
BPL	**220**	1,930
NTS	**784**	828
Total	**17,897**	24,961

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

13. LONG TERM DEBT

	Revolving credit facility	Term loans	Finance lease	Total debt
At December 31, 2014	89,603	3,487	47	**93,137**
Additional borrowings	-	2,155	-	**2,155**
Repayment of debt	(8,732)	(3,760)	(47)	**(12,539)**
	80,871	1,882	-	**82,753**
Less: current maturities	-	373	-	**373**
At December 31, 2015	**80,871**	**1,509**	**-**	**82,380**
At December 31, 2013	92,000	5,904	166	98,070
Repayment of debt	(2,397)	(2,417)	(119)	(4,933)
	89,603	3,487	47	93,137
Less: current maturities	-	2,405	47	2,452
At December 31, 2014	89,603	1,082	-	90,685

a) As at December 31, 2015, Trimac maintained a $125,000 extendible revolving credit facility with the right to increase the facility up to $150,000, subject to lender approval. The facility also includes a $10,000 swingline sub-commitment. The facility is subject to renewal, with the concurrence of both, the borrower and the lender, prior to July 31, 2017. If the facility is not renewed prior to this time, the loan will become repayable on July 31, 2017. It is secured by a floating charge over the assets of Trimac and interest rates are floating and determined by grid pricing based on Trimac's ratio of debt to EBITDA. Trimac may elect to borrow in prime, LIBOR, or BA instruments. The spread against Canadian or U.S. prime ranges from 0.50 percent to 1.50 percent while the spread against the other benchmarks in which Trimac may borrow ranges from 1.50 percent to 2.50 percent. The effective interest rate for the year was 3.22 percent.

b) Trimac has a $10,000 credit facility agreement with a Canadian financial institution which is secured by the equipment purchased through the facility. As of December 31, 2015 $1,882 was outstanding on this facility (December 31, 2014 – $nil), at an interest rate of 3.14 percent and is repayable over 60 months.

c) Trimac had three separate financing transactions, pursuant to a credit facility with a major U.S. financial institution. The term loans were secured by the equipment purchased through this facility and interest rates were fixed at 4.95 percent on two of the loans and 4.42 percent on the third loan. These loans were fully repaid as of December 31, 2015.

d) Trimac acquired term loans through its acquisition of a subsidiary with various financial companies. These loans were secured by the specific individual vehicles purchased through the facilities. Interest rates were fixed on each loan and ranged from 5.39 percent to 6.25 percent. These loans were fully repaid in April, 2015.

e) After taking into consideration letters of credit of $6,839 outstanding as at December 31, 2015 (December 31, 2014 – $6,778), unused lines of credit totalled $37,290 at December 31, 2015 (December 31, 2014 – $28,619).

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

f) Amounts of long-term debt repayable during the next five years are:

Less than 1 year	373
1 – 2 years	81,256
2 – 3 years	397
3 – 4 years	410
4 - 5 years	317
Thereafter	-
Total long-term debt	**82,753**

Repayments include $80,871 which relates to the revolving credit facility which would only become payable if the credit agreement described above is not renewed.

14. CAPITAL DISCLOSURES

Trimac's objectives when managing its capital are:

- To manage capital in a manner that will maintain compliance with its financial covenants;
- To maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business; and
- To maintain a financially sustainable and consistent amount of dividends to its shareholders.

Trimac defines its capital as follows:

As at December 31,	2015	2014
Equity	**56,751**	51,155
Total long-term debt	**82,753**	93,137
Total capital	**139,504**	144,292

Trimac's primary sources of capital are cash provided by operations after capital expenditures and dividends to shareholders, a $125,000 revolving credit facility and a $10,000 term credit facility. These facilities are used to fund seasonal working capital and capital expenditures to the extent that current cash from operations is inadequate.

The lending agreement requires Trimac to maintain certain specified financial ratios, the most significant being at December 31:

Financial ratio	Minimum covenant	Maximum covenant	2015	2014
Debt to EBITDA		3.25	2.21	2.24
Debt coverage	1.50		6.99	4.66

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

EBITDA is not a recognized measure under GAAP, does not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other issuers. Debt for the purpose of these ratios includes outstanding letters of credit. The maximum covenant is 3.25 except for periods ending June 30, when the Debt to EBITDA maximum covenant is 3.50.

Debt coverage for the purpose of this ratio is defined as EBITDA less current income tax less dividends and share redemptions paid divided by interest expense plus current maturities of long-term debt.

In management's opinion, Trimac's current available borrowing capacity under its current debt facilities and its ongoing cash from operations will be sufficient to fund all anticipated financial commitments.

15. ACQUISITIONS

Effective January 27, 2014, Trimac purchased 100 percent of the outstanding shares of Fortress Tank Services Ltd. ("FTS") for cash consideration of $700. Trimac used the acquisition method to account for the transaction and the operations of FTS have been fully consolidated into Trimac's financial results from the date of acquisition. FTS is based in Guelph, Ontario and provides trailer fabrication as well as repair and maintenance services to the trucking industry.

The acquisition was as follows:

	Fortress Tank
Fair value of assets acquired	665
Fair value of liabilities assumed	162
Net identifiable assets	503
Goodwill	313
Total investment	816
Consideration consisted of:	
Cash	700
Bank indebtedness	116
Total consideration	816

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

16. COMMITMENTS AND CONTINGENCIES

Trimac has operating leases for certain terminal facilities, office equipment and automobiles. These operating lease agreements expire at various dates through to 2023 with an option to renew certain lease agreements for periods of one to five years.

Less than 1 year	5,070
Between 1 & 5 years	8,994
Thereafter	1,532
Total	**15,596**

Trimac has no outstanding commitments to purchase additional equipment.

Trimac is involved in various legal actions, which have occurred in the ordinary course of operations. Management is of the opinion that losses, if any, arising from such legal actions would not have a material effect on these financial statements.

17. RELATED PARTY TRANSACTIONS

Trimac received administrative services provided by an associated partnership, Trimac Management Services Limited Partnership. The services are provided under a shared services agreement and amounted to $13,027 for the year ended December 31, 2015 (December 31, 2014 –$13,387).

Included in Trimac's dividend payments are declared dividends of $4,707 for the years ended December 31, 2015 and December 31, 2014 to Trimac Holdings Ltd. ("THL"), Trimac's controlling shareholder.

Trimac has two lease commitments with a related party, McCaig Real Estate Limited ("MREL") which is controlled by Jeffrey J. McCaig who is the controlling shareholder of THL. The annual rent for these leases total $1,100. The terms of the leases are for five to seven years with options to renew the leases for two or three consecutive five year terms. Rent for each renewal period will be based on market rates at the time of renewal.

Included in Trimac's dividend payments for December 31, 2014 were declared dividends of $300 paid to a related party (December 31, 2015 - $nil).

Amounts due from related parties in current assets, and due to related parties in current liabilities, all arise through the ordinary course of business, are owed to/from certain U.S. or Canadian related parties and are measured at the amount agreed by the related parties. The balances are non-interest bearing and are paid monthly.

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

18. SHARE CAPITAL

a) Authorized

For the years ended December 31, 2015 and December 31, 2014, Trimac's authorized share capital consisted of an unlimited number of Class A shares.

b) Issued

The following chart details the number of shares issued:

	Number of shares	Share capital
At December 31, 2013	28,019,933	48,442
Plus: Issuance of shares under the performance share unit plan	72,118	345
At December 31, 2014	28,092,051	48,787
Less: Cancellation of shares pursuant to a normal course issuer bid	(127,200)	(222)
Plus: Issuance of shares under the performance share unit plan	60,259	331
Total share capital, December 31, 2015	**28,025,110**	**48,896**

During 2015, Trimac issued 60,259 Class A shares under the performance share unit plan (December 31, 2014 – 72,118 shares).

On November 5, 2015, Trimac announced that it intended to proceed with a normal course issuer bid ("NCIB"). Under the NCIB, Trimac may, until November 9, 2016, or until such time as the bid is completed or terminated at Trimac's option, purchase for cancellation up to 1,400,000 common shares, representing 4.97 percent of Trimac's outstanding shares as of October 30, 2015. During the year ended December 31, 2015, Trimac repurchased 127,200 common shares, at prices ranging from $5.40 to $5.89 per share, relating to the NCIB. The excess of the purchase price over the carrying value of the shares in the amount of $494 was charged to retained earnings.

19. EARNINGS PER SHARE

a) Basic

The basic earnings per share are as follows:

Year ended December 31,	**2015**	2014
Net income for the year	**16,389**	16,209
Weighted average number of shares outstanding	**28,126,219**	28,078,664
Basic earnings per share	**0.58**	0.58

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

b) Diluted

The diluted earnings per share are as follows:

Year ended December 31,	**2015**	2014
Net income for the year	**16,389**	16,209
Weighted average number of shares outstanding	**28,126,219**	28,078,664
Add: weighted average number of share awards issued under the performance share unit plan, see note 22	**118,076**	155,146
	28,244,295	28,233,810
Diluted earnings per share	**0.58**	0.57

20. INCOME TAX EXPENSE

Income tax expense is comprised of current and deferred tax as follows:

Year ended December 31,	**2015**	2014
Current	**3,900**	4,092
Deferred	**1,425**	769
	5,325	4,861

The combined statutory tax rate was approximately 26.8 percent in 2015 (25.5 percent in 2014). Trimac's combined statutory tax rate increased due to a corporate tax rate increase in Alberta. The reconciliation of the effective tax rate is as follows:

Year ended December 31,	**2015**	2014
Income before income tax	**20,441**	21,070
Combine statutory tax rate	**26.8%**	25.5%
Expected income tax	**5,478**	5,373
(Decrease) increase from:		
Increase in tax rates (jurisdictional rate differences)	**562**	(39)
Non deductible expenses	**90**	86
Reduction due to non-controlling interest	**(823)**	(968)
Revaluation of forward contracts	**(20)**	156
Other - net	**38**	253
	5,325	4,861

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

Recognized deferred tax assets and liabilities consist of the following:

Year ended December 31, 2015	**Assets**	**Liabilities**	**Net**
Property, plant and equipment	-	(13,063)	(13,063)
Goodwill – asset acquisitions	-	(200)	(200)
Partnership reserve	-	(1,959)	(1,959)
Reserve (Insurance, Pension)	988	-	988
Loss carry forward	920	-	920
Intangible assets	17	-	17
Tax credits carry forward	107	-	107
Other	(179)	-	(179)
	1,853	(15,222)	(13,369)

Year ended December 31, 2014	**Assets**	**Liabilities**	**Net**
Property, plant and equipment	-	(12,170)	(12,170)
Goodwill – asset acquisitions	-	(355)	(355)
Partnership reserve	-	(1,348)	(1,348)
Reserve (Insurance, Pension)	1,054	-	1,054
Loss carry forward	746	-	746
Intangible assets	18	-	18
Tax credits carry forward	34	-	34
Other	93	-	93
	1,945	(13,873)	(11,928)

The analysis of the components of net deferred tax is as follows:

Year ended December 31,	**2015**	2014
Deferred tax to be settled within 12 months	**(1,530)**	(1,105)
Deferred tax to be settled after more than 12 months	**(11,839)**	(10,823)
	(13,369)	(11,928)

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

The following tables summarize the movement of temporary differences during the period:

Description	Balance January 1 2015	Recognized in net income	Recognized in comprehensive income	Balance December 31, 2015
Property, plant and equipment	(12,170)	(893)	-	(13,063)
Goodwill – asset acquisitions	(355)	155	-	(200)
Partnership reserve under 34.2	(1,348)	(611)	-	(1,959)
Reserve (Insurance, Pension)	1,054	(66)	-	988
Loss carry forward	746	174	-	920
Intangible assets	18	(1)	-	17
Tax credits carry forward	33	74	-	107
Other (including OCI)	94	(257)	(16)	(179)
	(11,928)	(1,425)	(16)	(13,369)

Description	Balance January 1 2014	Recognized in net income	Recognized in comprehensive income	Balance December 31, 2014
Property, plant and equipment	(10,890)	(1,280)	-	(12,170)
Goodwill – asset acquisitions	(435)	80	-	(355)
Partnership reserve under 34.2	(1,703)	355	-	(1,348)
Reserve (Insurance, Pension)	1,116	(62)	-	1,054
Loss carry forward	641	105	-	746
Intangible assets	20	(2)	-	18
Tax credits carry forward	53	(20)	-	33
Other (including OCI)	156	55	(118)	94
	(11,042)	(769)	(118)	(11,928)

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

21. DERIVATIVE FINANCIAL INSTRUMENTS

a) Interest rate risk management

Trimac has an interest rate cap derivative to manage its interest rate exposure on a total of $10,000 of its floating rate debt. This financial instrument was entered into solely to mitigate interest rate risk and is not used for speculation. The derivative has not been formally designated as cash flow hedge for accounting purposes.

The following contract requires the exchange of payments without the exchange of the notional principal amount on which the payments are based.

Type of contract	Remaining term	Fixed rate cap	Floating rate	Total
Floating to fixed	Jan 2016 - Dec 2017	1.99 percent	3 month CAD - BA-CDOR	10,000
Balance at December 31, 2015				**10,000**

The fair value of the derivative instrument is recorded on the consolidated statement of financial position as “Interest rate cap derivative”. The change in value of the derivative instrument is recorded in the consolidated statement of income. In addition, when an interest premium is paid under a contract, the fair value of this amount will be reclassified as “Interest on long-term debt”.

At December 31, 2015, the fair value of the derivative was a current liability of $nil (December 31, 2014 - $185) and a non-current liability of $221 (December 31, 2014 - $127) and was recorded on the statement of financial position. The increase in the fair value of the liability was $91 for the year ended December 31, 2015 and a gain in that amount has been recorded in the consolidated statement of income (December 31, 2014 – $205).

22. SHARE-BASED COMPENSATION PLANS

a) Employees and senior officers

Trimac maintains a performance share unit plan which provides each plan participant with an opportunity to receive, from time to time, share awards in an amount determined and approved by the Governance and Compensation Committee of the Board of Directors (“Board”). The plan has two types of share awards that may be granted, time based share awards and performance based share awards.

The time based share awards vest at one-third of the allocation on each anniversary of the grant and are entitled to notional dividends that are reinvested over the term of the grant. The performance based awards vest at the end of a three year period and will be dependent on the achievement of certain performance factors which includes total shareholder return over the three year period. Such performance based share awards are also entitled to notional dividends that are reinvested over the term of the grant. Each share award entitles the participant to a payment of one Class A share of Trimac that has been reserved for issuance. The participant is required to take 30 percent of their share awards in cash.

The 70 percent to be settled through the issue of treasury shares are fair valued at the grant date and charged as an expense using the graded vesting method. The 30 percent to be settled in cash has been fair valued using Trimac’s share price as traded on the TSX as of December 31, 2015.

Settlement of the performance based share awards is only made if Trimac’s total shareholder return over the life of the grant meets the criteria set by the Board. The probability of not meeting the established criteria was factored into the grant date value. The 30 percent to be settled in cash has been fair valued using Trimac's share price as traded on the TSX as of December 31, 2015 and has been charged to expense using the graded vesting method. The 70 percent that is assumed to be settled through the issue of treasury shares, including the probability of not meeting the established criteria, has been expensed on a straight-line basis over the three year period.

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

b) Non-employee directors

Trimac, as part of non-employee directors' compensation, has, with Board approval, granted notional shares to its non-employee directors. The shares vest at one-third of the allocation on each anniversary of the grant and are entitled to notional dividends that are reinvested over the term of the grant. On maturity, the notional shares may be settled in cash or Class A shares may be purchased from the market. These notional shares are valued using the Black-Scholes option valuation model.

The following table reflects the number of outstanding share awards and notional shares:

	Share Awards			
	Time based		Performance based	Total
	Employee	Directors	Employee	
Outstanding, December 31, 2013	183,016	35,439	151,787	**370,242**
Granted - January 1, 2014	38,600	-	60,400	**99,000**
Settled during the year	(101,856)	(16,055)	-	**(117,911)**
Forfeited during the year	(10,625)	-	(65,773)	**(76,398)**
	109,135	19,384	146,414	**274,933**
Notional dividend reinvestment	5,072	853	6,736	**12,661**
Outstanding, December 31, 2014	114,207	20,237	153,150	**287,594**
Granted - January 1, 2015	37,200	-	63,300	**100,500**
Settled during the year	(37,621)	(9,252)	(43,954)	**(90,827)**
Forfeited during the year	(6,795)	-	(10,387)	**(17,182)**
	106,991	10,985	162,109	**280,085**
Notional dividend reinvestment	5,584	545	8,356	**14,485**
Outstanding, December 31, 2015	112,575	11,530	170,465	**294,570**

Dividends paid on January 15, 2016 are included in the notional dividend reinvestment amounts.

Trimac recorded share based compensation expense of $476 for the year ended December 31, 2015 with $107 recorded to current and long-term liabilities and $369 recorded to equity (December 31, 2014 - $704).

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

The following table reflects the cash paid and the shares issued for the share award settlements:

	Share Awards Settled						
	Directors	Employees					
	Settled in Cash	Settled in Cash	Shares issued	Share price	Value Settled in Shares	Total employee settlement	Total Settled
2014							
March 3	86,858	157,556	68,043	5.40	367,432	524,988	611,846
May 15	-	7,357	2,698	6.35	17,132	24,489	24,489
November 17	-	4,205	1,377	7.12	9,804	14,009	14,009
Total Settlement Paid December 31, 2014	86,858	169,118	72,118		394,369	563,487	650,345
2015							
March 23	45,936	165,383	57,912	6.66	385,694	551,077	597,013
November 13	-	5,365	2,347	5.35	12,556	17,921	17,921
Total Settlement Paid December 31, 2015	**45,936**	**170,748**	**60,259**		**398,250**	**568,998**	**614,934**

c) Deferred share unit plan

To replace the plan noted in (b) above, Trimac established a deferred share unit plan (DSU) on May 9, 2014 for all non-employee directors. Under this plan, with Board approval, the directors are granted discretionary DSUs which vest immediately at the beginning of each year. These DSUs are entitled to notional dividends that are reinvested into additional DSUs. This plan also provides directors the option to receive half or all of their annual retainer compensation in DSUs rather than cash. DSUs for annual retainer compensation are issued at the beginning of each year based on each director's election and will vest immediately. The number of DSUs issued for retainer compensation is based on the fair market value, as defined by the plan, of Trimac's Class A shares on the date the DSUs were issued. All DSUs will be settled in cash at a date subsequent to the director's termination date. At each reporting date all DSUs are fair valued using Trimac's share price as traded on the TSX at the reporting date.

	Units outstanding
Granted - May 9, 2014	16,517
Notional dividend reinvestment	467
Outstanding units, December 31, 2014	16,984
Granted - January 1, 2015	27,102
Notional dividend reinvestment	2,192
Outstanding, December 31, 2015	**46,278**

Trimac recorded share based compensation expense of $147 for the year ended December 31, 2015 (December 31, 2014 - $115). As of December 31, 2015, no amount has been exercised.

(thousands of Canadian dollars except ratios and certain other exceptions as indicated)

23. NON-CONTROLLING INTEREST

Trimac acquired 60 percent of an entity on March 30, 2012 with the obligation to acquire the remaining 40 percent over the following three years. Trimac used the acquisition method to account for this transaction. The obligation to purchase the remaining 40 percent was recorded as a forward contract on the statement of financial position. On March 31, 2014 Trimac acquired an additional 20 percent of the entity for $3,000 and on March 31, 2015 Trimac acquired the remaining 20 percent interest for $3,845, which represented the fair value of the remaining 20 percent of the entity. This amount was recorded against the forward contract account on the statement of financial position and a recovery of $74 was recorded on the statement on income for the difference, see note 3.

The non-controlling interest for this acquisition is made up of the following:

At December 31, 2013	4,950
Non-controlling interest share of net income	388
Dividend paid to non-controlling interest	(300)
Purchase of non-controlling interest	(2,084)
At December 31, 2014	2,954
Purchase of non-controlling interest	(2,954)
At December 31, 2015	**-**

24. NON-CONTROLLING INTEREST LIABILITIES

Trimac owns a 29 percent interest in a partnership which has a limited life; therefore, a non-controlling interest liability is recorded to reflect the 71 percent amount owned by third parties. As of December 31, 2015, a revaluation of the liability using estimates and judgements prepared by management resulted in a $1,273 change in the liability and a revaluation expense recovery in that amount has been recorded in the consolidated statement of income (December 31, 2014 - $nil).

	Total
At December 31, 2013	21,054
Revaluation expense	-
Balance, December 31, 2014	21,054
Revaluation expense recovery	(1,273)
At December 31, 2015	**19,781**

25. SUBSEQUENT EVENTS

Effective January 1, 2016, Trimac's revolving credit facility agreement was renewed and extended with the same terms to July 31, 2019.

On March 2, 2016, the Board declared a dividend of $0.07 per share on the Class A shares, payable April 15, 2016 to the shareholders of record at the close of business March 31, 2016.

SHAREHOLDER INFORMATION

Stock Exchange Listing

Toronto Stock Exchange:
Symbol: TMA

Transfer Agent

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Dividend Information

The policy of the Company for 2016 is to pay dividends on a quarterly basis on its Class A shares. It is anticipated that the dividends will be "eligible dividends" and thus qualify under the Tax Act for an enhanced gross up and dividend tax credit regime for certain holders of Class A shares; however, no assurance can be given that the dividends will be declared and paid or that all dividends will be designated as eligible dividends.

TMA Price and Volumes – TSX

2015	**High**	**Low**	**Volume**
First Quarter	7.26	6.22	951,052
Second Quarter	7.18	6.01	814,977
Third Quarter	6.22	4.96	572,624
Fourth Quarter	6.00	5.00	511,660
Annual			2,850,313

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