TUCKAMORE CAPITAL MANAGEMENT INC.

MANAGEMENT DISCUSSION AND ANALYSIS

THIRD QUARTER ENDED SEPTEMBER 30, 2011

Dear Shareholders:

This quarter has been an active quarter for Tuckamore as we have continued to focus on our 2011 goals of debt reduction and improved operational performance. We have completed the sale of four investments in the quarter with net proceeds being used to reduce senior debt, increased our ownership to 100% in our second largest investment, and recorded strong operating results.

We have made progress in reducing the company's debt leverage through the sale of four portfolio investments which were all in our financial services segment. Baird MacGregor and Hargraft, two insurance brokerage firms, and Morrison Williams and Brompton, two investment management businesses were sold at very reasonable multiples for net proceeds of $37 million. The remaining portfolio now has eight investments.

Tuckamore's core investments are in the industrial services space. We were very pleased to report that at the end of the quarter we completed the acquisition of the 36% interest in Quantum Murray that we did not already own. Tuckamore now owns 100% of both NPC and Quantum Murray. These two investments represent 68% of Tuckamore's invested capital and 84% of portfolio EBITDA in this current quarter.

With the balance sheet restructuring work in the early part of the year behind us, we have been able to focus more on the operations of our investments. Results at NPC, our oil and gas services' investment, were pleasing with the quarter benefiting from maintenance work projects which had been delayed from earlier in the year. We are also seeing stronger fabrication revenues and solid bid backlogs, both of which are good indicators of a busier and active energy sector. Quantum Murray had excellent results this quarter, boosted by two larger remediation projects and several demolition projects. While there are encouraging signs for the short to medium term for the business, strengthening of a fragile global economy would provide improved longer term prospects. Gemma also had a very good quarter with results now reflecting increased work volumes from larger clients.

The remainder of the portfolio produced satisfactory operating results this quarter, and we are also showing progress with our corporate costs once non-recurring costs are removed.

Our focus will continue to be debt reduction and improved operating results. Thank you for your continued support.

Dean T. MacDonald

President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS

November 8, 2011

The following is management's discussion and analysis ("MD&A") of the consolidated results of operations, balance sheets and cash flows of Tuckamore Capital Management Inc. ("Tuckamore") for the three and nine months ended September 30, 2011 and 2010. This MD&A should be read in conjunction with Tuckamore's unaudited interim consolidated financial statements for the three and nine months ended September 30, 2011 and 2010, the unaudited interim financial consolidated financial statements as at and for the three months ended March 31, 2011 and 2010, June 30, 2011 and 2010, and the notes thereto and Tuckamore's (formerly Newport Partners Income Fund) audited consolidated financial statements for the year ended December 31, 2010.

All amounts in this MD&A are in Canadian dollars and expressed in '000's of dollars unless otherwise noted. The accompanying unaudited interim consolidated financial statements of Tuckamore have been prepared by and are the responsibility of management. The contents of this MD&A have been approved by the Board of Directors of Tuckamore on the recommendation of its Audit Committee. This MD&A is dated November 8, 2011 and is current to that date unless otherwise indicated.

The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A makes reference to certain measures that are not defined in IFRS and contains forward-looking information. These measures do not have any standard meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

Capitalized terms are defined terms, their meaning is explained in the "Definitions" section located on page 34, and references to "we", "us", "our" or similar terms, refer to Tuckamore, unless the context otherwise requires.

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Forward-looking information

This MD&A contains certain forward-looking information. Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results and may include statements or information regarding the future plans or prospects of Tuckamore or the Operating Partnerships and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of Tuckamore and the Operating Partnerships. Without limitation, information regarding the future operating results and economic performance of Tuckamore and the Operating Partnerships constitute forward-looking information. Such forward-looking information reflects management's current beliefs and is based on information currently available to management of Tuckamore and the Operating Partnerships. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information including risks related to investments, conditions of capital markets, economic conditions, dependence on key personnel, limited customer bases, interest rates, regulatory change, ability to meet working capital requirements and capital expenditures needs of the Operating Partners, factors relating to the weather and availability of labour. These factors should not be considered exhaustive. In addition, in evaluating this information, investors should specifically consider various factors, including the risks outlined under "Risk Factors," which may cause actual events or results to differ materially from any forward-looking statement. In formulating forward-looking information herein, management has assumed that business and economic conditions affecting Tuckamore and the Operating Partnerships will continue substantially in the ordinary course, including without limitation with respect to general levels of economic activity, regulations, taxes and interest rates. Although the forward-looking information is based on what management of Tuckamore and the Operating Partnerships consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect. This forward-looking information is made as of the date of this MD&A, and Tuckamore does not assume any obligation to update or revise it to reflect new events or circumstances except as required by law. Undue reliance should not be placed on forward-looking information. Tuckamore is providing the forward-looking financial information set out in this MD&A for the purpose of providing investors with some context for the "Fourth Quarter Outlook" presented. Readers are cautioned that this information may not be appropriate for any other purpose.

Non-standard measures

The terms ''EBITDA'' and "adjusted EBITDA", (collectively the ''Non-IFRS measures'') are financial measures used in this MD&A that are not standard measures under International Financial Reporting Standards (''IFRS''). Tuckamore's method of calculating Non-IFRS measures may differ from the methods used by other issuers. Therefore, Tuckamore's Non-IFRS measures, as presented may not be comparable to similar measures presented by other issuers.

EBITDA refers to net earnings determined in accordance with IFRS, before depreciation and amortization, interest expense and income tax expense. EBITDA is used by management and the Directors as well as many investors to determine the ability of an issuer to generate cash from operations. Management also uses EBITDA to monitor the performance of Tuckamore's reportable segments and believes that in addition to net income or loss and cash provided by operating activities, EBITDA is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and distributions. Tuckamore has provided a reconciliation of income to EBITDA in its MD&A.

Adjusted EBITDA refers to EBITDA excluding the gain or loss on reduction or sale of ownership interest (dilution gains or losses), the write-down of goodwill and intangible assets, restructuring costs, gain on re-measurement of investments, gain on debt extinguishment, fair value adjustments on stock based compensation expense and the impairment of long-term investments. Tuckamore has used Adjusted EBITDA as the basis for the analysis of its past operating financial performance. Adjusted EBITDA is used by Tuckamore and management believes it is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures, and income taxes. Adjusted EBITDA is a measure that management believes facilitates the comparability of the results of historical periods and the analysis of its operating financial performance which may be useful to investors.

Investors are cautioned that the Non-standard Measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of performance or cash flows, a measure of liquidity or as a measure of actual return on the shares. These Non-standard Measures should only be used in conjunction with the financial statements included in the MD&A and Tuckamore's (formally Newport Partners Income Fund) annual audited financial statements available on SEDAR at www.sedar.com or www.tuckamore.ca

INDUSTRY SEGMENTS

Tuckamore has three operating segments, each of which has separate operational management and management reporting information. All of Tuckamore's operations, assets and employees are located in Canada. In addition to the segments listed below, the corporate segment reflects head office administrative and financing costs incurred by Tuckamore. Tuckamore utilizes EBITDA as a performance measure for its operating partners and segment results.

Operating Partner by Industry Segment	Business Description	Ownership Interest
Marketing		
Armstrong	Provider of in-store promotional marketing services.	80%
Gemma	Integrated direct marketing company.	100%
IC Group	Provider of on-line promotional and loyalty programs and select insurance products.	80%
Industrial Services		
NPC	Provider of oil and gas maintenance, construction and wear technology services to both the conventional oil and gas industry and the oilsands.	100%
Quantum Murray	National provider of demolition, remediation and scrap metal services.	100%
Other		
Gusgo	Transportation and storage services provider	80%
Rlogistics	Re-seller of close-out, discount and refurbished consumer electronics and household goods in Ontario.	36%
Titan	Distributor of rigging and wear products to the oil and gas, transportation, pipeline, construction, mining and forestry industries.	92%

THIRD QUARTER PERFORMANCE

SUMMARY RESULTS FROM CONTINUING OPERATIONS ($000s)

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Revenues	$ 162,447	$ 118,471	$ 453,739	$ 339,281
Cost of revenues	(124,725)	(94,515)	(353,657)	(267,511)
Gross profit	37,722	23,956	100,082	71,770
Selling, general and administrative expenses	(22,198)	(18,567)	(70,301)	(56,943)
Amortization expense	(3,813)	(3,191)	(13,370)	(9,354)
Depreciation expense	(5,297)	(2,730)	(12,670)	(8,028)
Income from equity investments	-	280	372	765
Interest expense	(9,212)	(9,327)	(23,841)	(25,707)
Gain on re-measurement of investment/ gain on bargain purchase	10,871	-	10,871	9,051
Loss on Sale of Investment	-	(442)	-	(442)
Gain on debt extinguishment	-	-	37,451	-
Fair value adjustment on stock based compensation expense	-	482	(883)	833
Transaction costs	(910)	-	(2,297)	(40)
Write-down of goodwill and intangible assets	-	-	(321)	(1,779)
Income tax expense - current	(6)	(161)	(14)	(205)
Income tax (expense) recovery - deferred	(646)	331	(2,759)	906
Income (loss) from continuing operations	$ 6,511	$ (9,369)	$ 22,320	$ (19,173)
Add:				
Amortization	3,813	3,191	13,370	9,354
Depreciation[1]	5,311	2,744	12,710	8,072
Interest expense	9,212	9,327	23,841	25,707
Income tax expense - current	6	161	14	205
Income tax (recovery) expense - deferred	646	(331)	2,759	(906)
EBITDA	$ 25,499	$ 5,723	$ 75,014	$ 23,259
Gain on re-measurement of investment/ gain on bargain purchase	(10,871)	-	(10,871)	(9,051)
Gain on debt extinguishment	-	-	(37,451)	-
Loss on Sale of Investment	-	442	-	442
compensation expense	-	(482)	883	(833)
Write-down of goodwill and intangible assets	-	-	321	1,779
Adjusted EBITDA	$ 14,628	$ 5,683	$ 27,896	$ 15,596

[1] Depreciation of $14 and $40 relating to production equipment has been included in cost of revenues for the three and nine months ended September 30, 2011 (2010 - $14 and $44).

Selected Balance Sheet Accounts	September 30, 2011	December 31, 2010
Total assets	$ 463,971	$ 426,669
Senior credit facility - current	10,000	86,939
Senior credit facility - long term	86,549	-
Secured debentures	144,721	-
Unsecured debentures	13,259	-
Revolving credit facilities	-	10,089
Convertible debentures	-	159,829
Shareholders' equity	77,888	34,545

THIRD QUARTER AND NINE MONTHS 2011 RESULTS

Tuckamore's continuing operations are reported in its three operating segments: Marketing, Industrial Services and Other. Revenues for the three and nine months ended September 30, 2011 were $162,447 and $453,739 compared to $118,471 and $339,281 in 2010, an increase of 37.1% and 33.7%. The increase was largely driven by the Industrial Services segment where both NPC and Quantum have experienced high business volumes during the quarter, as well as the increased ownership in NPC.

Gross profit for the three and nine months ended September 30, 2011 was $37,722 and $100,082 compared to $23,956 and $71,770 in the prior year periods, an increase of 57.5% and 39.4%. Gross margins were 23.2% and 22.1% for the three and nine months ended September 30, 2011 compared to 20.2% and 21.2% in the prior year.

For the three and nine months ended September 30, 2011, these three operating segments produced $19,185 and $39,845 of adjusted EBITDA for Tuckamore compared to $8,910 and $26,849 in the prior year. Refer to the chart below for adjusted EBITDA by operating partner.

Non-cash items that impacted the results were depreciation and amortization, deferred income taxes, gains on re-measurement of investment, bargain purchase, and gain on debt extinguishment. Depreciation and amortization was $9,110 and $26,040 for the three and nine months ended September 30, 2011, compared to $5,921 and $17,382 for the comparative quarter. The largest component of this expense is the amortization of intangible assets, which were recorded as investments were made. Gain on re-measurement of investment relates to acquisition accounting under IFRS for transactions where control of an investment is obtained. ,

In the current quarter, Tuckamore acquired 35.7% interest in Quantum Murray that it did not already own. Tuckamore's existing investment has been revalued resulting in a gain of $1,709. The acquisition cost of the minority interest was exceeded by the fair market value of the assets acquired resulting in a bargain purchase gain of $9,162 which has been included in income. The valuation estimates and gain calculations are preliminary at this time. Tuckamore's existing investment in Gemma in the prior year first quarter was re-valued resulting in the recognition of gain of $9,051.

In the current quarter, Tuckamore refined its preliminary estimates of value associated with NPC's acquisition of the 20% interest in GES and reversed the gain on re-measurement of investment of $9,644 recorded in the first quarter.

The refinancing of Tuckamore's convertible debentures and interest owing thereon and the revolving credit facility has resulted in the issue of new secured and unsecured debentures. The new debentures have been recorded at their respective fair values, which were determined based on the weighted average trading prices over a given period. The difference between the fair value of the new debentures and the carrying value of the convertible debentures and related interest and the revolving credit facility, less all transaction costs, has been recorded in the income statement as a gain on extinguishment of debt of $37,451.

During the third quarter interest costs were $9,212, compared with $9,327 in the prior year period. Non-cash interest expense was $2,622 for the quarter compared to $956 in the previous year period. The increase in non-cash interest is due to the accretion expense related to the new secured and unsecured debentures that have been recorded at their fair values and accrete up to the face value over the term of the debentures. During the three and nine months ended September 30, 2011, the operating segments had capital expenditures and capital lease payments of $2,083

and $5,584 compared to $2,026 and $5,671 in the same period in 2010. The majority of these expenditures were incurred in the Industrial Services segments.

Net income for the three and nine months ended September 30, 2011 from continuing operations was $6,511 and $22,320 compared to a loss of $9,369 and $19,173 for the three and nine months ended September 30, 2010.

Adjusted EBITDA $000s		Q3 2011		Q3 2010		2011 vs. 2010
Marketing						
Armstrong		354		313		41
Gemma		1,282		469		813
IC Group		251		87		164
	$	1,887	$	869	$	1,018
Industrial Services						
NPC		9,928		5,483		4,445
Quantum Murray		6,220		1,145		5,075
	$	16,148	$	6,628	$	9,520
Other						
Gusgo		521		628		(107)
Titan		629		520		109
Rlogistics		-		265		(265)
		1,150		1,413		(263)
Adjusted EBITDA from portfolio operations	$	19,185	$	8,910	$	10,275

MARKETING

The Marketing segment had overall improved results compared to the prior year quarter. Gemma had its strongest quarter in over two of years. Increased revenue and gross margin over the prior year were largely a result of key clients increasing inbound telesales volumes. Armstrong had solid EBITDA contribution despite lower revenues reflecting a shift in mix of revenue to higher margin services. IC Group had improved results primarily due to improved margins.

INDUSTRIAL SERVICES

The Industrial services segment had a strong quarter with both investments significantly exceeding the prior year results.

At NPC the improved results reflect the increase in ownership of both NPC and Golosky, and increased maintenance services activity and higher volumes in the fabrications divisions.

Quantum Murray had its most profitable quarter since Tuckamore’s acquisition of this investment. The environmental division benefitted from several large hazmat and remediation projects, as well as seasonal Arctic work. The demolition division also had a solid quarter due to increased levels of industrial decommissioning activity. The metals division results were improved due to higher scrap prices and trading margins.

OTHER

Results in the Other division were mixed in the quarter. Titan continued to have increased volumes for ground engaging tools and rigging products reflecting increased activity in the conventional oil and gas industry. Gusgo had slightly lower results compared to prior year period which reflected lower storage revenue.

ACQUISITIONS

On September 30, 2011 Tuckamore paid $15,722 to increase its investment in Quantum Murray by 35.7% to bring total ownership to 100%.

On February 10, 2011, NPC paid $13,813 to increase its investment in Golosky Energy Services ("GES") by purchasing the remaining 20% it did not own. NPC now owns 100% of GES.

Effective January 1, 2011, Tuckamore paid $755 to increase its investment in Morrison Williams by 6.66% to bring total ownership to 86.66%. [see Divestitures]

On December 20, 2010, Tuckamore paid $14,488 to increase its investment in NPC by 20% to bring total ownership to 100%.

On January 4, 2010, Tuckamore paid $4,285 to increase its investment in Gemma by 20% to bring total ownership to 100%.

DIVESTITURES

On July 27, 2011 Tuckamore sold its 86.66% interest in Morrison Williams Investment Management LP for gross proceeds of $10,107 realizing an accounting loss of approximately $628. The net proceeds were deposited into an escrow account in accordance with the terms of the senior credit facility and the terms of the secured and unsecured debentures to be held and used for specified acquisition purposes and specified working capital needs.

On July 28, 2011 Tuckamore sold its 77.5% interest in Baird Macgregor Insurance Brokers LP and its 100% interest in Hargraft Schofield for gross proceeds of $11,250. This results in an accounting gain of approximately $3,500. Approximately 50% of the net proceeds were deposited into an escrow account in accordance with the terms of the senior credit facility and the terms of the secured and unsecured debentures to be held and used for specified acquisitions purposes and specified working capital needs, with the other 50% being used to repay senior indebtedness.

On September 9, 2011 Tuckamore announced that it had completed the sale of Brompton for net proceeds of $17,373 realizing an accounting gain of $9,200. The proceeds from the sale were received September 27, 2011 and net proceeds were used to repay senior indebtedness.

As a result of the three transactions above, the results of Morrison Williams, Baird MacGregor, Hargraft and Brompton are reflected as discontinued operations.

SEGMENT OPERATING RESULTS

MARKETING

The Marketing segment includes 100% of the results of Gemma and Tuckamore's proportionate share of the results of Armstrong and IC Group. The results of S&E (sold on June 23, 2010) and Capital C (sold on December 1, 2010) are included in Discontinued Operations and are not reflected in the tables below.

Armstrong	-	Fully integrated marketing agency providing in-store promotional marketing, digital and social media marketing solutions
Gemma	-	Outsourced contact centre operator providing outbound revenue generation and inbound customer care services
IC Group	-	Provider of on-line promotional and loyalty programs and a provider of select insurance products

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Revenues	$ 14,392	$ 12,898	$ 38,931	$ 39,698
Cost of revenues	(9,517)	(9,059)	(25,785)	(26,984)
Gross profit	4,875	3,839	13,146	12,714
Selling, general and administrative expenses	(2,988)	(2,969)	(9,243)	(8,928)
Amortization expense	(826)	(1,447)	(2,932)	(3,754)
Depreciation expense	(205)	(220)	(602)	(678)
Income from equity investments	-	(1)	-	35
Interest expense	(34)	(38)	(109)	(94)
Gain on re-measurement of investment	-	-	-	9,051
Income tax recovery (expense) - deferred	229	1,323	643	2,027
Income (loss) for the period	$ 1,051	$ 487	$ 903	$ 10,373
Add:				
Amortization	826	1,447	2,932	3,754
Depreciation	205	220	602	678
Interest expense	34	38	109	94
Income tax expense (recovery) - deferred	(229)	(1,323)	(643)	(2,027)
EBITDA	$ 1,887	$ 869	$ 3,903	$ 12,872
Gain on re-measurement of investment	-	-	-	(9,051)
Adjusted EBITDA	$ 1,887	$ 869	$ 3,903	$ 3,821

(I) REVENUES

Revenues for the Marketing segment were $14,392 in the quarter ended September 30, 2011, which represents an 11.6% increase over $12,898 reported for the same prior year period. For the nine month period ended September 30, 2011 revenues were $38,931, compared to $39,698 in prior year period. The increase in the quarter was mostly due to increased revenue at Gemma where larger clients have increased telesales volumes. IC Group's revenues were comparable to prior year period and Armstrong had lower revenues due to a shift in revenue mix. Armstrong now primarily has fees for service and has significantly reduced its flow through purchased goods revenue.

(II) GROSS PROFIT

Gross profit for the Marketing segment was $4,875 and $13,146, and gross margin percentage was 33.9% and 33.8% for the three and nine months ended September 30, 2011. For the comparative period ended September 30, 2010, gross profit was $3,839 and $12,714 and gross profit margin was 29.8% and 32.0%. The improved margin was primarily due to Gemma's increased revenue and Armstrong's revenue shift to fee based revenue with lower margin flow through revenue than in prior years.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the three and nine months ended September 30, 2011 were $2,988 and $9,243 compared to $2,969 and $8,928 in 2010. While the expense levels are comparable to the prior year periods, these expenses as a percentage of revenues were 20.8% and 23.7% in 2011 compared to 23.6% and 22.5% in 2010.

(IV) GAIN ON RE-MEASUREMENT OF INVESTMENT

Under IFRS, transactions which result in an increase in ownership to control of the investment require the existing investment to be re-measured to fair value. The increase in ownership of Gemma from 80% to 100% in January 2010 resulted in a gain on re-measurement of the 80% interest in the amount of $9,051 in the first quarter of 2010.

INDUSTRIAL SERVICES

The Industrial Services segment includes 100% of the results of NPC (2010 – 80%) and Tuckamore's proportionate share of the results Quantum Murray. In addition NPC increased its ownership in Golosky to 100% from 80% on February 10, 2011.

NPC	-	Provider of oil & gas maintenance, construction and wear technology services to both the conventional oil and gas industry and to the oil sands
Quantum Murray	-	National provider of demolition, remediation and scrap metal services

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Revenues	$ 136,142	$ 94,951	$ 380,315	$ 269,565
Cost of revenues	(107,020)	(78,259)	(304,397)	$ (220,138)
Gross profit	29,122	16,692	75,918	49,427
Selling, general and administrative expenses	(12,974)	(10,064)	(43,649)	(31,842)
Amortization expense	(2,641)	(1,393)	(9,397)	(4,545)
Depreciation expense	(4,896)	(2,381)	(7,804)	(6,947)
Interest expense	(3,038)	(1,914)	(8,692)	(5,812)
Loss on Sale of Investment	-	(442)	-	(442)
Gain on re-measurement of investment/ gain on bargain purchase	10,871	-	10,871	-
Transaction costs	-	-	(194)	-
Write-down of goodwill and intangible assets	-	-	(321)	(1,779)
Income tax expense - current	(6)	5	(9)	(9)
Income tax (expense) recovery - deferred	(67)	(173)	4,233	(1,117)
Income (loss) for the period	$ 16,371	$ 330	$ 20,956	$ (3,066)
Add:				
Amortization	2,641	1,393	9,397	4,545
Depreciation	4,896	2,381	7,804	6,947
Interest expense	3,038	1,914	8,692	5,812
Income tax expense - current	6	(5)	9	9
Income tax expense (recovery) - deferred	67	173	(4,233)	1,117
EBITDA	$ 27,019	$ 6,186	$ 42,625	$ 15,364
Gain on re-measurement of investment/ gain on bargain purchase	(10,871)	-	(10,871)	-
Loss on Sale of Investment	-	442	-	442
Write-down of goodwill and intangible assets	-	-	321	1,779
Adjusted EBITDA	$ 16,148	$ 6,628	$ 32,075	$ 17,585

INDUSTRIAL SERVICES

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended September 30				Nine months ended September 30			
	NPC		Quantum Murray		NPC		Quantum Murray	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues	$ 92,504	$ 66,281	$ 43,638	$ 28,670	$ 275,083	$ 195,505	$ 105,232	$ 74,060
Cost of revenues	(75,441)	(55,663)	(31,579)	(22,596)	(224,693)	(162,056)	(79,704)	(58,082)
Gross profit	17,063	10,618	12,059	6,074	50,390	33,449	25,528	15,978
Selling, general and administrative	(7,135)	(5,135)	(5,839)	(4,929)	(27,975)	(16,522)	(15,674)	(15,320)
Amortization expense	(1,859)	(612)	(782)	(781)	(7,052)	(2,200)	(2,345)	(2,345)
Depreciation expense	(3,598)	(1,501)	(1,298)	(880)	(5,338)	(4,202)	(2,466)	(2,745)
Interest expense	(2,911)	(1,817)	(127)	(97)	(8,383)	(5,610)	(309)	(202)
Loss on Sale of Investment	-	(442)	-	-	-	(442)	-	-
Gain on re-measurement of investment/ gain on bargain purchase	-	-	10,871	-	-	-	10,871	-
Transaction costs	-	-	-	-	(194)	-	-	-
Write-down of goodwill and			-	-	(321)	(1,779)	-	-
Income tax expense - current	(6)	5	-		(9)	(9)	-	-
Income tax (expense) recovery	(549)	(873)	482	700	3,148	232	1,085	(1,349)
Income (loss) for the period	$ 1,005	$ 243	$ 15,366	$ 87	$ 4,266	$ 2,917	$ 16,690	$ (5,983)
Add:								
Amortization	1,859	612	782	781	7,052	2,200	2,345	2,345
Depreciation	3,598	1,501	1,298	880	5,338	4,202	2,466	2,745
Interest expense	2,911	1,817	127	97	8,383	5,610	309	202
Income tax expense - current	6	(5)	-	-	9	9	-	-
Income tax expense (recovery)	549	873	(482)	(700)	(3,148)	(232)	(1,085)	1,349
EBITDA	$ 9,928	$ 5,041	$ 17,091	$ 1,145	$ 21,900	$ 14,706	$ 20,725	$ 658
Gain on re-measurement of investment/ gain on bargain purchase	-	-	(10,871)	-	-	-	(10,871)	-
Loss on Sale of Investment	-	442	-	-	-	442	-	-
Write-down of goodwill and	-	-	-	-	321	1,779	-	-
Adjusted EBITDA	$ 9,928	$ 5,483	$ 6,220	$ 1,145	$ 22,221	$ 16,927	$ 9,854	$ 658

(I) REVENUES

Revenues from the Industrial Services segment were $136,142 and $380,315 for the three and nine months ended September 30, 2011 compared with $94,951 and $269,565 in the prior year period, which reflects an increase of 43.4% and 41.1%. The improvement was partially driven by Tuckamore's increase in ownership of NPC from 80% to 100% in December 2010 and NPC's purchase of the remaining 20% interest in Golosky in February 2011. Revenues were further improved at NPC within the maintenance services divisions and fabrication divisions, the latter due to increased project related activities. Quantum Murray had a strong quarter with each of its three divisions, Environmental, Demolition and Metals exceeding prior year activity levels. In particular the hazmat business within the Environmental division was very active with two large projects and the Demolition division was also very busy.

(II) GROSS PROFIT

Gross profit was $29,122 and $75,918 for the three and nine months ended September 30, 2011 compared with $16,692 and $49,427 in 2010. Gross profit margins were 21.4% and 20.0% compared to 17.6% and 18.3% in 2010.

At Quantum Murray, gross margins were significantly improved over the prior year primarily due to increased revenue. Gross margin percentages were improved due to higher margin hazmat projects at Quantum Murray and higher margin fabrication work at NPC.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $12,974 and $43,649 for the three and nine months ended September 30, 2011 compared to $10,064 and $31,842 in 2010. NPC's increase in selling, general and administrative expenses primarily reflects the increase in ownership. Selling, general and administrative expenses as a percentage of revenues were improved at 9.5% and 11.5% for the three and nine months ended September 30, 2011, compared to 10.6% and 11.8% reported for the prior year period.

(IV) GAIN ON REMEASUREMENT AND BARGAIN PURCHASE GAIN

In the current quarter, Tuckamore acquired 35.7% interest in Quantum Murray that it did not already own. Tuckamore's existing investment has been revalued resulting in a gain of $1,709. The acquisition cost of the minority interest was exceeded by the fair market value of the assets acquired resulting in a bargain purchase gain of $9,162 which has been included in income. The valuation estimates and gain calculations are preliminary at this time.

In the current quarter, Tuckamore refined its preliminary estimates of value associated with NPC's acquisition of the 20% interest in GES and reversed the gain on re-measurement of investment recorded in the first quarter.

(V) SEASONALITY

NPC's revenues and profits are impacted by seasonality and weather conditions. For example, severe winter conditions and excessively rainy periods can delay equipment moves and thereby adversely affect revenues. Spring break-up typically occurs in March and April leaving many roads temporarily incapable of supporting heavy equipment travel, thereby negatively impacting NPC's business.

Quantum Murray's remediation activity can be reduced in the winter months, depending on assignment location and weather. The first quarter is typically the slowest quarter with activity levels picking up in the second and third quarters before tailing off again in November and December. In addition, due to the timing of large contracts, quarterly results can fluctuate.

OTHER

The Other segment includes Tuckamore's proportionate share of the results of Gusgo and Titan. This segment also includes income from Tuckamore's equity investment in Rlogistics. The results of Peerless (sold on August 19, 2010) are included in Discontinued Operations and are not reflected in the tables below.

Gusgo	-	Provider of container transportation and storage services
Rlogistics	-	Reseller of close-out, discount and refurbished consumer electronic and household goods
Titan	-	Manufacturer and distributor of rigging products, rigging services and ground engaging tools

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Revenues	$ 11,913	$ 10,622	$ 34,493	$ 30,018
Cost of revenues	(8,188)	(7,197)	(23,475)	(20,389)
Gross profit	$ 3,725	$ 3,425	$ 11,018	$ 9,629
Selling, general and administrative expenses	(2,589)	(2,307)	(7,586)	(6,966)
Amortization expense	(329)	(329)	(987)	(987)
Depreciation expense	(108)	(129)	(334)	(403)
Income from equity investments		281	372	730
Interest expense	(167)	(159)	(498)	(448)
Transaction costs	-	-	-	-
Income tax recovery (expense) - deferred	40	14	78	107
Income for the period	$ 572	$ 796	$ 2,063	$ 1,662
Add:				
Amortization	329	329	987	987
Depreciation [1]	122	143	374	447
Interest expense	167	159	498	448
Income tax (recovery) expense - deferred	(40)	(14)	(78)	(107)
EBITDA and Adjusted EBITDA	$ 1,150	$ 1,413	$ 3,844	$ 3,437

1 Depreciation of $14 and $40 relating to production equipment has been included in cost of revenues (2010 - $14 and $44).

(I) REVENUES

Revenues for the other segment were $11,913 and $34,493 for the three and nine months ended September 30, 2011, compared to $10,622 and $30,018 in the prior year period, which reflects an increase of 12.2% and 15.0%. Both Titan and Gusgo had increased revenues. Titan in particular had a strong quarter as it is benefitting from increased activity in conventional oil & gas exploration and oil sands development. Gusgo's revenues are also improved reflecting higher revenues from its largest client.

(II) GROSS PROFIT

Gross profit was $3,725 and $11,018 for the three and nine months ended September 30, 2011, compared with $3,425 and $9,629 for 2010. Gross profit margins were 31.3% and 32.0% the three and nine months ended September 30, 2011 and are comparable to the 32.2% and 32.1% for prior year period.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $2,589 and $7,586 for the three and nine months ended September 30, 2011, compared with $2,307 and $6,966 for 2010. These expenses as a percentage of revenues were 21.7% and 22.0%, compared to 21.7% and 23.2% in the prior year period.

(IV) INCOME FROM EQUITY INVESTMENTS

Income from equity investments related to Tuckamore's ownership share of Rlogistics was $372 for the nine months ended September 30, 2011 compared to $730 in the prior year period. The majority of this investments profits is typically earned in the fourth quarter.

CORPORATE

The Corporate segment includes head office management, administrative and legal costs, as well as interest costs.

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Selling, general and administrative expenses	$ (3,647)	$ (3,227)	$ (9,823)	$ (9,207)
Amortization expense	(17)	(22)	(54)	(68)
Depreciation expense	(88)	-	(3,930)	-
Interest expense	(5,973)	(7,216)	(14,542)	(19,353)
Gain on debt extinguishment	-	-	37,451	-
Fair value adjustment to stock compensation expense	-	482	(883)	833
Transaction costs	(910)	-	(2,103)	(40)
Income tax expense - current	-	(166)	(5)	(196)
Income tax (expense) recovery - deferred	(848)	(833)	(7,713)	(111)
Income (loss) for the period	$ (11,483)	$ (10,982)	$ (1,602)	$ (28,142)
Add:				
Amortization expense	17	22	54	68
Depreciation expense	88	-	3,930	-
Interest expense	5,973	7,216	14,542	19,353
Income tax expense - current	-	166	5	196
Income tax expense (recovery) - deferred	848	833	7,713	111
EBITDA	$ (4,557)	$ (2,745)	$ 24,642	$ (8,414)
Gain on debt extinguishment	-	-	(37,451)	-
Fair value adjustment to stock compensation expense	-	(482)	883	(833)
Adjusted EBITDA	$ (4,557)	$ (3,227)	$ (11,926)	$ (9,247)

(I) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $3,647 and $9,823 for the three and nine months ended September 30, 2011, compared to $3,227 and $9,207 for 2010. The break-down of selling, general and administrative expenses is as follows:

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Salaries	$ 2,071	$ 1,784	$ 6,704	$ 5,589
Professional advisor fees	953	571	1,774	1,304
Legal	208	357	870	848
Other	415	515	475	1,466
Selling, general and administrative expenses	$ 3,647	$ 3,227	$ 9,823	$ 9,207

Increase in salaries reflects non-cash expenses related to the stock based incentive plan of $598 and $1,910 in the three and nine months of 2011, compared to $153 and $1,232 in the prior year periods.

The increase in professional advisor fees are the costs related to the first-time adoption of IFRS.

(II) INTEREST EXPENSE

Interest expense was $5,973 and $14,542 for the three and nine months ended September 30, 2011 compared to $7,216 and $19,353 for the prior year period. Interest expense relates to the senior credit facility, the revolving line of credit and the convertible debentures and subsequent to March 23, 2011 the Secured and Unsecured Debentures.

(III) GAIN ON DEBT EXTINGUISHMENT

The refinancing of Tuckamore's convertible debentures and interest owing thereon has resulted in the issue of new secured and unsecured debentures. The new debentures have been recorded at their estimated fair value at the date of issue, which has been calculated using the weighted average of trading prices over a given period. The difference between the fair value of the new debentures and the carrying value of the convertible debentures and related interest, less all transaction costs, has been recorded in the income statement as a gain on debt extinguishment of $37,451.

(IV) TRANSACTION COSTS

During the period there was $910 and $2,103 (2010 - $nil and $40) incurred in transaction costs relating to acquisition costs, including the additional ownership interest in Quantum Murray, and conversion to a corporation.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The following table summarizes the major consolidated cash flow components:

Nine months ended September 30	2011	2010
Cash provided by (used in) operating activities	$ (19,926)	$ 12,009
Cash used in investing activities	3,654	15,750
Cash provided by (used in) financing activities	1,397	(54,106)
Consolidated cash and cash equivalents - (continuing and discontinued operations)	12,864	17,535

CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

The following table provides a break-down of cash from operating activities by cash used in operations, changes in non-cash balances and cash and distributions provided from discontinued operations.

Nine months ended September 30	2011	2010
Cash provided by (used in) operations	$ 11,811	$ (6,712)
Changes in non-cash balances		
Accounts receivable	(38,330)	6,516
Inventories	(3,812)	(4,960)
Other current assets	1,739	(1,358)
Accounts payable, accrued liabilities and deferred revenue	6,203	(8,833)
Decrease in cash due to changes in non-cash balances	(34,200)	(8,635)
Cash and distributions provided by discontinued operations	2,463	27,356
Cash provided by (used in) operating activities	(19,926)	12,009

The change in non-cash balances is substantially due to increased accounts receivable balances at both NPC and Quantum Murray reflecting increased business volumes in the current period.

CASH FROM INVESTING ACTIVITIES

Cash used in investing activities totaled $3,654 compared to $15,750 in the prior year period. See table below for further details.

Nine months ended September 30	2011	2010
Acquisition of businesses, net of cash acquired		
Golosky Energy Services, Quantum Murray and Morrison Williams	(31,344)	-
Gemma	-	(4,321)
	(31,344)	(4,321)
Purchase of property, plant and equipment	(1,633)	(2,068)
Proceeds on disposition of property plant and equipment	733	-
Proceeds on disposition of businesses	38,730	23,581
Purchase of intangibles	(2,763)	(329)
Increase in other assets	-	(19)
Cash provided by (used in) discontinued operations	(69)	(1,094)
	3,654	15,750

CASH FROM FINANCING ACTIVITIES

Cash provided by financing activities was $1,397 during the nine months ended September 30, 2011 and cash used in financing activities was $54,106 in the prior year period.

Nine months ended September 30	2011	2010
Increase (repayment) of long-term debt	$ 11,016	$ (38,505)
Increase (decrease) in cash held in trust	(4,372)	35
Repayment of capital lease obligations	(3,978)	(3,603)
Cash used in discontinued operations	(1,269)	(12,033)
Cash provided by (used in) financing activities	1,397	(54,106)

The increase in long-term debt for the nine months ended September 30, 2011 was due to the acquisitions of GES and Quantum Murray and funding of working capital requirements, net of $37,000 of repayments from asset sales proceeds.

FINANCING

SUPPORT AGREEMENTS AND ASSIGNMENT OF SENIOR DEBT

On November 30, 2010 Tuckamore announced it had entered into support agreements ("Support Agreements") for comprehensive senior debt and Debenture refinancing. These Support Agreements between Marret Asset Management ("Marret"), K2 Associates Investment Management Inc. ("K2") and Tuckamore secured the support of Marret and K2 for (i) the assignment to Marret and amendment of NFC's senior secured credit facility and (ii) an exchange transaction pursuant to which the terms of the indentures for Tuckamore's Debentures would be amended to provide for the mandatory exchange of the Debentures for newly created second lien notes and subordinated unsecured notes of Tuckamore.

On December 20, 2010, Tuckamore announced the successful assignment of senior debt financing to Marret, on behalf of various funds under management ("Marret Lenders").

SECOND AMENDED & RESTATED SENIOR CREDIT AGREEMENT

On March 23, 2011 Tuckamore, through Newport Finance Corp. and Marret Lenders, finalized a second amended and restated senior credit agreement ("ARCA"). The ARCA removed all forbearance conditions. The key terms of the ARCA are: interest rate is 9.5% per annum but may be adjusted downward based on leverage ratios, mandatory repayment of 100% of the net proceeds on sale of investments, subject to the ability to utilize up to $15,000 for specified acquisition purposes in certain circumstances, repayments based on 75% of excess cash flows beginning in the final quarter of 2011, maturity date of December 20, 2013, annual covenants for 2011 and 2012 requiring a minimum EBITDA, senior debt ratio and fixed charge ratios, and similar quarterly covenants through 2013. In addition, the agreement provides for an additional $10,000 advance available for working capital purposes and $5,234 advance for acquisitions. The $10,000 line for working capital purposes was drawn during the second quarter of 2011. Subsequent to the quarter end, Tuckamore agreed with its senior lender that the repayment of the $10,000 would be extended until March 2, 2012.

Net proceeds from sales of Baird McGregor, Hargraft and Morrison Williams completed in July 2011 totaled $20,573. Of this amount, $5,573 was used to repay senior debt and $15,000 was placed in an escrow deposit account. In August 2011 $2,000 of this amount was drawn for working capital purposes.

On September 28, 2011 net proceeds of $16,400 relating to the sale of Brompton were used to repay senior debt

On September 30, 2011 Tuckamore completed the acquisition of the 35.7% of Quantum Murray that it did not already own. The acquisition and related transaction costs were funded with $13,000 held in escrow, and additional borrowings of $4,223 from the first delayed draw facility.

On September 30, 2011 $1,000 of the $2,000 drawn for working capital purposes was repaid to the senior lender and on October 31, 2011 Tuckamore repaid the remaining $1,000.

As at September 30, 2011 senior debt was $97,955 before deferred financing charges of $1,406.

DEBENTURES

On February 28, 2011, Tuckamore issued management information circular which provided details of the proposed exchange of the Debentures (the “Exchange”). Under the proposed amendment, the existing Debentures were to be mandatorily exchanged for second lien notes (the “Secured Debentures”) and the unpaid accrued interest on the Debentures would be exchanged for unsecured subordinated notes (the “Unsecured Debentures”). At the exchange meeting held on March 18, 2011 the debenture holders voted in favour of the Exchange and, the Secured Debentures and the Unsecured Debentures (“the New Debentures”) were issued on March 23, 2011 pursuant to a new indenture agreement.

The aggregate principal amount of the Secured Debentures is $176,228 which satisfies the principal amounts of the Debentures, the subordinated revolving credit facility and related accrued interest on March 23, 2011. The maturity date of the Secured Debentures is March 23, 2016 (the “Secured Debenture Maturity Date”). The interest rate is 8% per annum, payable semi-annually in arrears on June 30 and December 31 in each year until the Secured Debenture Maturity Date. An interest payment of $3,824 was made on June 30, 2011. Tuckamore has the option to repurchase any or all Secured Debentures outstanding at any time. Tuckamore has the right to redeem in cash any or all Secured Debentures outstanding at any time in its sole discretion without bonus or penalty, provided all accrued interest is paid at redemption. Tuckamore is also obligated to redeem a portion of the Secured Debentures prior to the Secured Debenture Maturity Date in certain circumstances based on proceeds from specified dispositions, proceeds from the issuance of equity instruments or based on excess operating cash flow as defined. Tuckamore is unable to estimate amounts repayable in 2011 in connection with this mandatory redemption provision. The Secured Debentures have a security interest in substantially all of Tuckamore’s assets which is subordinated to similar security interests granted in connection with the ARCA or certain debt incurred in the future by Tuckamore’s subsidiaries. The Secured Debentures were listed on the TSX on the date of closing of March 23, 2011.

The aggregate principal amount of the Unsecured Debentures is equal to the accrued and unpaid interest on the Debentures at March 23, 2011 of $26,552. The maturity date is March 23, 2014 (the “Unsecured Debenture Maturity Date”). Interest accrues on the principal amount of the Unsecured Debentures at a non-compounding rate of 3.624% per annum, payable in cash at the Unsecured Debenture Maturity Date. Tuckamore will repay the principal amount of the Unsecured Debentures on the Unsecured Debentures Maturity Date either in cash or by delivering common shares of Tuckamore Capital Management Inc. at a conversion price of $0.2254 per common share. The total number of common shares to be issued on the repayment of the Unsecured Debentures is capped at 10% of the

outstanding common shares of Tuckamore Capital Management Inc. on the repayment date. The Unsecured Debentures were listed on the TSX on the closing date of March 23, 2011.

For accounting purposes, the exchange transactions are accounted for as extinguishments of the Debentures, the accrued interest payable under the Debentures and the Subordinated Revolving Credit Facility. All costs incurred in connection with the issuance of the New Debentures were expensed as a reduction of the gain on extinguishment. The Secured Debentures and Unsecured Debentures have been recorded at their fair value and will be accreted up to their principal amount over the period to the respective Maturity Dates using the effective interest method.

SOURCES OF FUNDING

Tuckamore will continue to look to reduce its debt leverage. The new financing arrangements are designed to ensure that debt balances are reduced as quickly as possible. Consequently, proceeds of all asset sales are required to retire debt, other than the acquisition of the minority ownership in Quantum Murray contemplated in the senior debt facility, as well as 75% of available cash flow beginning in the final quarter of 2011.

During the third quarter of 2011, Tuckamore completed the disposal of 4 investments for total net proceeds of approximately $37,000. Proceeds of $15,000 were paid into an escrow account in accordance with the terms of its senior credit facility and the terms of its secured and unsecured indentures to be held and used for specified acquisition purposes and specified working capital purposes as described there under. The balance of approximately $22,000 was used to pay down senior indebtedness.

The Operating Partnerships will continue to be self-funding, and as required Tuckamore will continue to provide working capital advances, largely to its industrial services investments. Increased working capital needs at NPC in 2011 have been supported by additional borrowings of $10,000 that was drawn in the second quarter of 2011 from the senior lender. Subsequent to the quarter end, Tuckamore agreed with its senior lender that the repayment of the $10,000 would be extended until March 2, 2012.

WORKING CAPITAL

	September 30, 2011	December 31, 2010
Current assets	$ 230,472	$ 162,483
Current liabilities	124,058	357,100
Working capital - excluding discontinued operations	106,414	(194,617)
Working capital - discontinued operations	-	23,012
Total working capital	$ 106,414	$ (171,605)

Working capital was significantly improved at September 30, 2011 due to the re-classification of revolving credit facilities, term debt and convertible debentures as long-term liabilities.

CAPITAL EXPENDITURES

The Industrial Services segment contains the only capital intensive entities within Tuckamore. The remaining entities are service based and therefore have much lower capital expenditure requirements. The following table shows capital expenditures and capital lease payments by segment.

Nine months ended September 30, 2011	Marketing	NPC	QM	Other	Corporate	Total
Capital expenditures	$ 274	$ 794	$ 474	$ 64	$ 27	$ 1,633
Capital lease repayments	131	2,552	1,110	185	-	3,978
	$ 405	$ 3,346	$ 1,584	$ 249	$ 27	$ 5,584

Nine months ended September 30, 2010	Marketing	NPC	QM	Other	Corporate	Total
Capital expenditures	$ 266	$ 507	$ 1,252	$ 43	$ -	$ 2,068
Capital lease repayments	142	1,852	1,400	209	-	3,603
	$ 408	$ 2,359	$ 2,652	$ 252	$ -	$ 5,671

Critical Accounting Policies and Estimates

Tuckamore prepares its consolidated financial statements in accordance with IFRS. The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenues and expenses for the period of the consolidated financial statements. Significant accounting policies and methods used in the preparation of the financial statements are described in note 1 in the September 30, 2011 interim consolidated financial statements. Tuckamore and the Operating Partnerships evaluate their estimates and assumptions on a regular basis, based on historical experience and other relevant factors. Included in the interim consolidated financial statements are estimates used in determining allowance for doubtful accounts, inventory valuation, the useful lives of property, plant and equipment and intangible assets, revenue recognition and other matters. Actual results could differ from those estimates and assumptions.

The assessment of goodwill and intangible assets for impairment requires the use of judgments, assumptions and estimates. Due to the material nature of these factors, they are discussed here in greater detail.

Goodwill and Intangible Assets

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the assets acquired, less liabilities assumed, based on their fair values. When Tuckamore enters into a business combination, the acquisition method of accounting is used. Goodwill is assigned as of the date of the business combination to reporting units that are expected to benefit from the business combination. Goodwill is not amortized and is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired. The book value of goodwill was $70,758 at September 30, 2011 (December 31, 2010 - $75,587).

Intangible assets acquired individually or as part of a group of other assets are recognized and measured at cost. Intangible assets acquired in a transaction, including those acquired in business combinations, are recorded at their fair value. Intangible assets with determinable useful lives, such as customer relationships and contracts, are amortized over their useful lives and are tested for impairment when there is an indicator of impairment. Intangible assets having an indefinite life, such as brands, are not amortized but instead are tested for impairment on an annual or more frequent basis. The net book value of intangible assets was $98,101 at September 30, 2011 (December 31, 2010 - $80,890).

Long-term Investments

Investments over which Tuckamore is able to exercise significant influence are accounted for using the equity method. Under the equity method, the original cost of the investment is adjusted for Tuckamore's share of post-acquisition earnings or losses, less distributions in the case of investments in partnerships and dividends in the case of investments in companies. Investments are written down when there is evidence that a decline in value that is other than temporary has occurred. Tuckamore reviews all of its investments for possible impairment on an annual basis, or more frequently if there is an event which in the view of management would trigger an earlier review.

Income Taxes and Conversion to a Corporation

Since the initial public offering in 2005, Tuckamore has operated under a trust structure.

A meeting of unitholders was held on March 25, 2011 at which meeting a vote in favour of the conversion to a corporation was passed. Effective April 1, 2011 Tuckamore began operating as a corporation under the name Tuckamore Capital Management Inc.

Deferred Taxes

Tuckamore has computed deferred income taxes based on temporary differences that are expected to reverse after September 30, 2011. In general, there are no material differences in the values for operating assets and liabilities such as accounts receivable, inventory and trade payables for the Operating Partnerships. There are, however, differences[1], for example between the carrying values of definite life intangibles (e.g. customer contracts) and indefinite life intangibles (e.g. brands) that arise as part of Tuckamore's accounting for its investments in the underlying Operating Partnerships. As one example, under IFRS, Tuckamore records intangible assets related to acquisitions and these assets typically have a lesser value for tax purposes depending on the manner in which the acquisition was structured. In this case, a deferred tax liability would be recorded for the difference. If Tuckamore was to divest of one or more of its Operating Partnerships for an amount that is greater than the tax carrying value this would give rise to a taxable income because the proceeds would be greater than the tax value of the assets.

At September 30, 2011 Tuckamore has calculated a deferred tax liability related to differences that are expected to reverse in the future using the applicable estimated tax rate of approximately 26%.

The recognition of a deferred tax expense or recovery has no impact on cash generated by operating activities or on distributable cash.

1 These differences are referred to as either deductible temporary differences or taxable temporary differences and may result in tax-deductible amounts or taxable amounts in future periods and IFRS requires that these differences be recorded.

ADDITIONAL INFORMATION

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations were not yet effective as at January 1, 2011 and have not been applied in preparing the interim consolidated financial statements. Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. Tuckamore is assessing the impact that the new and amended standards will have on its consolidated financial statements.

The following is a brief summary of the new standards:

(i) IFRS 9, Financial Instruments ("IFRS 9")

In November 2009, the ISAB issued IFRS 9, which represented the first phase of its replacement of IAS 39. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard will be effective for Tuckamore's interim and annual consolidated financial statements commencing January 1, 2013. Tuckamore is assessing the impact of this new standard on its consolidated financial statements.

(ii) IFRS 10, Consolidation ("IFRS 10")

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 supersedes all of the guidance in SIC-12 *Consolidation—Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

(iii) IFRS 11, Joint Arrangements ("IFRS 11")

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, *Interests in Joint Ventures*, and SIC-13, *Jointly Controlled Entities—Non-monetary Contributions by Venturers*.

(iv) IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

(v) IFRS 13, Fair Value Measurement ("IFRS 13")

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements.

(vi) Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, *Separate Financial Statements* (IAS 27), and IAS 28, *Investments in Associates and Joint Ventures* (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

Summary of Quarterly Results – ($000s except unit amounts)

	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4
	IFRS							Canadian GAAP
Revenues	$ 162,447	$ 150,293	$ 141,021	$ 114,865	$ 118,471	$ 123,542	$ 97,268	$ 120,579
Net Income (loss) from continuing operations	6,511	(4,290)	20,099	44,056	(9,369)	(7,783)	(2,545)	(29,833)
Net income (loss)	19,822	(601)	20,164	39,893	(13,011)	(4,196)	(410)	5,415
Income (loss) per unit from continuing operations	0.09	(0.06)	0.28	0.61	(0.13)	(0.11)	(0.03)	(0.41)
Income (loss) per unit	0.28	(0.01)	0.28	0.56	(0.18)	(0.06)	(0.01)	0.08

CONTINGENCIES

TRANSACTIONS WITH RELATED PARTIES

OWNERSHIP

As of September 30, 2011, directors, officers and employees, and operating partnership related to Tuckamore beneficially hold an aggregate of 19,327,206 units or 22.5% on a fully diluted basis.

TRANSACTIONS

Tuckamore provides funding to the Operating Partnerships to fund working capital requirements. Advances bear interest at the rate of prime plus one percent, are unsecured and are due on demand.

Included in Other Assets are advances of $1,399 (December 31, 2010 – $1,190) made to the Operating Partnerships.

Selling, general and administrative expenses include $344 of rent expense paid to related parties of Quantum Murray and Gusgo for the three months ended September 30, 2011 (2010-$544) and $898 for the nine months ended September 30, 2011 (2010-$899). These transactions occurred in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to between the parties.

Tuckamore shares space and services with a business which employs two of the directors of Tuckamore, and paid $88 during the three months ended September 30, 2011 (2010-$52) and $270 during the nine months ended September 30, 2011 (2010-$160) for such services.

Loans made to employees of Tuckamore were outstanding in the amount of $1,868 (December 31, 2010 – $1,869). In accordance with the terms and conditions of the loans, the loans are interest bearing and used to fund the purchase of shares of Tuckamore or to refinance such purchases and are secured by a pledge of the shares.

SUBSEQUENT EVENTS

On September 30, 2011 $1,000 of the $2,000 drawn from escrow for working capital purposes was repaid to the senior lender. Subsequent to the quarter end on October 31, 2011 Tuckamore repaid the other $1,000.

An amount of $10,000 was drawn for working capital purposes during the second quarter of 2011. Subsequent to the quarter end, Tuckamore agreed with its senior lender that the repayment of the $10,000 would be extended until March 2, 2012, and that an additional $25,000 would be repaid by January 2, 2013.

FOURTH QUARTER OUTLOOK

The senior management team's primary focus is on improving results within the different operating segments.

Within the marketing segment, Gemma's outlook for Q4 is positive. Significant new business from Gemma's larger clients will benefit the balance of 2011. Both IC Group and Armstrong continue to have a more cautious outlook. Both of these businesses are focused on business development activities, but closing new opportunities continues to be challenging as client-spending decisions are taking longer to finalize.

Within the Industrial Services segment, the final quarter will begin strongly for NPC but will be affected by the December holiday season. The fourth quarter will see turnaround plant maintenance assignments, and increased workload in NPC's fabrication and transportation divisions. Quantum Murray has a healthy work backlog and this quarter will see the completion of some larger projects in both the demolition and remediation divisions.

Titan and Gusgo's fourth quarter business levels are expected to be similar to this third quarter.

In the Corporate segment there will be lower legal and advisor costs as we continue to look to further rationalize costs.

RISK FACTORS

There are no updates to Tuckamore's Risk Factors. For further discussion, refer to Tuckamore's MD&A or the AIF dated March 30, 2011 for the year ended December 31, 2010.

DISCLOSURE CONTROLS & PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

DISCLOSURE CONTROLS AND PROCEDURES

Multilateral Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the CSA requires CEOs and CFOs to certify that they are responsible for establishing and maintaining the disclosure controls and procedures for the issuer, that disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's disclosure controls and procedures, and that their conclusions about effectiveness of those disclosure controls and procedures at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

Tuckamore's management, including its CEO and CFO, have evaluated the effectiveness of Tuckamore's disclosure controls and procedures as at December 31, 2010 and have concluded that those disclosure controls and procedures were effective to ensure that information required to be disclosed by Tuckamore in its corporate filings is recorded, processed, summarized and reported within the required time period for the year then ended. The CEO and CFO have certified the appropriateness of the financial disclosures in Tuckamore's interim filings for the period ended September 30, 2011 with securities regulators, including this MD&A and the accompanying unaudited interim consolidated financial statements and that they are responsible for the design of the disclosure controls and procedures.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Multi-lateral Instrument 52-109 also requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal controls over financial reporting for the issuer, that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, and that the issuer has disclosed any changes in its internal controls during its most recent interim period that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Tuckamore has conducted an analysis of the impact of IFRS on its internal controls over financial reporting to determine whether Tuckamore has appropriate controls over the transition process and the preparation of IFRS compliant financial statements. Given the Canadian GAAP/IFRS differences identified, the implementation of IFRS has not had a material impact over Tuckamore's internal controls over financial reporting. Minor modifications have and will be made to the control environment to ensure that all Canadian GAAP/IFRS adjustments are reflected and appropriate disclosures have been made.

There have been no changes in internal controls over financial reporting during the quarter ended September 30, 2011 that have materially affected or are reasonably likely to materially affect internal controls over financial reporting.

Due to the inherent limitations common to all control systems, management acknowledges that disclosure controls and procedures and internal control over financial reporting may not prevent or detect all misstatements. Accordingly, management's evaluation of our disclosure controls and procedures and internal control over financial reporting provide reasonable, not absolute, assurance that misstatements resulting from fraud or error will be detected.

ADDITIONAL INFORMATION

Additional information relating to Tuckamore including Tuckamore's AIF is on SEDAR at www.sedar.com or on our website www.tuckamore.ca

DEFINITIONS

“AIF” – means Annual Information Form;

“Armstrong” – means Armstrong Partnership LP, a limited partnership formed under the laws of Ontario;

“BMI” – means Baird MacGregor Insurance Brokers LP, a limited partnership formed under the laws of Ontario;

“Brompton” – means Brompton Corp., a corporation incorporated under the laws of Ontario;

“Capital C” – means Capital C Communications LP, a limited partnership formed under the laws of Ontario;

“CEO” – means Chief Executive Officer;

“CICA” – means Canadian Institute of Chartered Accountants;

“Convertible Debentures” – means collectively the two series of unsecured, subordinated, convertible debentures of Tuckamore, due December 31, 2010 and December 31, 2012, respectively;

“Debentures” – means collectively the Secured and Unsecured Debentures of Tuckamore, due March 23, 2016 and March 23, 2014

“GAAP” – means, at any time, Canadian generally accepted accounting principles, including those set out in the Handbook of the CICA, applied on a consistent basis;

“Gemma” – means Gemma Communications LP, a limited partnership formed under the laws of Ontario;

“Gusgo” – means Gusgo Transport LP, a limited partnership formed under the laws of Ontario;

“Hargraft” – means Hargraft Schofield LP, a limited partnership formed under the laws of Ontario;

“IC Group” – means IC Group LP, a limited partnership formed under the laws of Ontario;

“IFRS” – means International Financial Reporting Standards;

“Lenders” – means the various persons from time to time acting as lenders under the Senior Credit Agreement;

“MD&A” – means Management’s Discussion and Analysis;

“Marret” – means Marret Asset Management

“Morrison Williams” – means Morrison Williams Investment Management LP, a limited partnership formed under the laws of Ontario;

“Tuckamore” – means Tuckamore Capital Management Inc.

“NPC” – means NPC Integrity Energy Services Limited Partnership, a limited partnership formed under the laws of Alberta;

“NPH” – means Newport Partners Holdings LP, a limited partnership formed under the laws of Ontario;

“Operating Partnerships” – means businesses in which Newport holds an ownership interest;

“Peerless” – means Peerless Garments LP, a limited partnership formed under the laws of Ontario;

“Quantum Murray” – means Quantum Murray LP (formerly Murray Demolition LP) a limited partnership formed under the laws of Ontario;

“Rlogistics” – means Rlogistics LP, a limited partnership formed under the laws of Ontario;

"S&E" – means Sports and Entertainment Limited Partnership, a limited partnership formed under the laws of Ontario;

"Titan" – means Titan Supply LP, a limited partnership formed under the laws of Alberta;

"TSX" – means Toronto Stock Exchange