TUCKAMORE CAPITAL MANAGEMENT INC.

MANAGEMENT DISCUSSION AND ANALYSIS

SECOND QUARTER ENDED JUNE 30, 2011

Dear Shareholders:

I am pleased to submit this first quarterly report to the shareholders of Tuckamore Capital. This quarter has seen the completion of the conversion to a corporation, and the change of name, which was approved at the company's annual general meeting.

In my first quarter message to shareholders, I advised that our focus for the balance of 2011 was on debt reduction, and improved operational performance.

Results from continuing operations for the second quarter on an overall basis are improved from the first quarter and also from a year ago. Our two industrial services investments had solid quarters. NPC's oil and gas maintenance services, however, were negatively impacted by forest fires in Northern Alberta and delays in larger oil sands projects have affected both the fabrication and pipe wear divisions. The return to the market of larger industrial projects has benefited Quantum Murray. These larger projects play to Quantum Murray's comprehensive strengths of demolition, remediation and scrap metals processing, and current levels of work backlog are encouraging. Of note in the remaining portfolio is the continued stronger performance of Titan, a supplier to the resources and construction industry in the west. Also, Gemma's outsourced call-centre services results are picking up and recent new business wins will improve its second half of the year.

Subsequent to the quarter, we completed the previously announced sale of Morrison Williams, and the sale of both Baird MacGregor and Hargraft. The sale of Brompton is expected to close in the third quarter. We were pleased with the sale proceeds for each of these transactions, all at very reasonable multiples to current earnings. The proceeds of these sales have been and will be used to pay down senior debt. $15 million of the proceeds have been placed in escrow, and it is our intention to utilize these proceeds for an investment in the industrial services space. We will advise more on this as soon as is practicable.

Thank you for your continued support.

Dean T. MacDonald
President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 9, 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 six months ended June 30, 2011 and 2010. This MD&A should be read in conjunction with Tuckamore's unaudited interim consolidated financial statements for the three and six months ended June 30, 2011 and 2010, the unaudited interim financial consolidated financial statements as at and for the three months ended March 31, 2011 and 2011, 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 August 9, 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 32, 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 "Third Quarter Outlook" presented. Readers are cautioned that this information may not be appropriate for any other purpose.

Non-standard measures

The terms ''EBITDA'', "adjusted EBITDA", ''invested capital'', (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.

Invested capital refers to the cost to acquire an equity interest in an Operating Partnership and excludes transaction costs and any working capital provided to such Operating Partnership. Management uses this measure to monitor the performance of its investment strategy and as an input to the calculation of its overall yield for an Operating Partnership. Management believes that invested capital is a useful supplemental measure that provides investors with useful information about the capital that Tuckamore deploys for each Operating Partnership which can subsequently be used to determine the performance of each Operating Partnership.

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 represents 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% [1]
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% [1]
Quantum Murray	National provider of demolition, remediation and scrap metal services.	64%
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%

[1] Refer to Second quarter results section for further information

SECOND QUARTER PERFORMANCE

SUMMARY RESULTS FROM CONTINUING OPERATIONS ($000S)

	Three months ended June 30		Six months ended June 30	
	2011	2010	2011	2010
Revenues	$ 150,293	$ 123,542	$ 291,314	$ 220,838
Cost of revenues	(117,142)	(96,306)	(228,931)	(173,022)
Gross profit	33,151	27,236	62,383	47,816
Selling, general and administrative expenses	(23,534)	(18,925)	(48,168)	(38,375)
Amortization expense	(7,779)	(2,987)	(15,447)	(6,164)
Depreciation expense	(3,077)	(2,622)	(6,310)	(5,296)
Income from equity investments	-	335	372	486
Interest expense	(7,483)	(6,752)	(14,630)	(16,382)
Gain on re-measurement of investment	-	-	9,644	9,051
Gain on debt extinguishment	-	-	37,451	-
Fair value adjustment on stock based compensation expense	-	46	(883)	351
Transaction costs	(205)	-	(1,388)	(40)
Write-down of goodwill and intangible assets	(321)	(1,779)	(321)	(1,779)
Income tax expense - current	(5)	(44)	(8)	(44)
Income tax (expense) recovery - deferred	3,173	(2,291)	195	574
Income (loss) from continuing operations	$ (6,080)	$ (7,783)	$ 22,890	$ (9,802)
Add:				
Amortization	7,779	2,987	15,447	6,164
Depreciation[1]	3,091	2,637	6,337	5,326
Interest expense	7,483	6,752	14,630	16,382
Income tax expense - current	5	44	8	44
Income tax (recovery) expense - deferred	(3,173)	2,291	(195)	(574)
EBITDA	$ 9,105	$ 6,928	$ 59,117	$ 17,540
Gain on re-measurement of investment	-	-	(9,644)	(9,051)
Gain on debt extinguishment	-	-	(37,451)	-
Fair value adjustment on stock based compensation expense	-	(46)	883	(351)
Write-down of goodwill and intangible assets	321	1,779	321	1,779
Adjusted EBITDA	$ 9,426	$ 8,661	$ 13,226	$ 9,917

[1] Depreciation of $14 and $27 relating to production equipment has been included in cost of revenues for the three and six months ended June 30, 2011 (2010 - $15 and $30).

Selected Balance Sheet Accounts	June 30, 2011	December 31, 2010
Total assets	$ 478,634	$ 450,182
Senior credit facility - current	46,700	86,939
Senior credit facility - long term	68,356	-
Secured debentures	143,146	-
Unsecured debentures	12,368	-
Revolving credit facilities	-	10,089
Convertible debentures	-	159,829
Shareholders' equity	73,538	43,492

SECOND QUARTER AND SIX MONTHS 2011 RESULTS

Tuckamore's continuing operations from its portfolio investments are reported in its three operating segments: Marketing, Industrial Services and Other. Revenues for the three and six months ended June 30, 2011 were $150,293 and $291,314 compared to $123,542 and $220,838 in 2010, an increase of 21.7% and 31.9%. The increase was largely driven by the Industrial Services segment where both NPC and Quantum have delivered solid results during the quarter.

Gross profit for the three and six months ended June 30, 2011 was $33,151 and $62,383 compared to $27,236 and $47,816 in the prior year quarter, an increase of 21.7% and 30.5%. Gross margins were 22.1% and 21.4% for the three and six months ended June 30, 2011 compared to 22.0% and 21.7% in the prior year.

For the three and six months ended June 30, 2011, these three operating segments produced $12,393 and $20,662 of adjusted EBITDA for Tuckamore compared to $11,458 and $15,936 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, gain on re-measurement of investment, and gain on debt extinguishment. Depreciation and amortization was $10,870 and $21,784 for the three and six months ended June 30, 2011, compared to $5,624 and $11,490 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 such circumstances, Tuckamore's existing investment in Golosky in the first quarter, and Gemma in the prior year first quarter were re-valued resulting in the recognition of gains of $9,644 and $9,051, respectively.

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 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 second quarter, cash interest costs were $7,483, compared with $6,752 in the prior year period. Non-cash interest expense was $3,262 for the quarter compared to $1,848 in the previous year period. The increase in non-cash interest is due to the accretion expense related to the 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 six months ended June 30, 2011, the operating segments had capital expenditures and capital lease payments of $671 and $2,828, compared to $1,229 and $2,416 in the same period in 2010. The majority of these expenditures were incurred in the Industrial Services segments.

Net income (loss) for the three and six months ended June 30, 2011 from continuing operations was $(6,080) and $22,890 compared to a loss of $7,783 and $9,802 for the three and six months ended June 30, 2010.

Adjusted EBITDA		Q2 2011 3 months		Q2 2010 3 Months		2011 vs. 2010
Marketing						
Armstrong		315		420		(105)
Gemma		567		873		(306)
IC Group		286		9		277
	$	1,168	$	1,302	$	(134)
Industrial Services						
NPC		8,158		8,402		(244)
Quantum Murray		2,056		868		1,188
	$	10,214	$	9,270	$	944
Other						
Gusgo		500		380		120
Titan		511		206		305
Rlogistics		-		300		(300)
		1,011		886		125
Adjusted EBITDA from portfolio operations	$	12,393	$	11,458	$	935

MARKETING

The Marketing segment had mixed results in the quarter. IC Group had improved results compared to the prior year quarter primarily due to improved gross margins. Gemma had a challenging quarter with revenues decreased from the prior year due to the reduction in telesales volumes from a key client. Armstrong had a comparable quarter to the prior year, although business development costs were increased.

INDUSTRIAL SERVICES

Quantum Murray had a solid quarter with all three divisions delivering improved results over the prior year. The Environmental division had a particularly strong quarter due to several substantial hazmat and remediation projects. The Demolition division benefitted from a number of large industrial projects and, the Metals division had improved results due to increased scrap volumes and prices.

At NPC, results were somewhat similar compared to the prior year from EBITDA contribution, but were less than a year ago when considering the increase in ownership in this investment. While the industrial services division continues to benefit from increased activity in the conventional oil and gas industry as well as oil sands exploration, this quarter NPC's results were negatively impacted by forest fires in Northern Alberta and some client delays in larger maintenance projects. The Wear and Fabrication divisions did not produce the same volumes seen in the prior year as large projects have been deferred.

OTHER

Both Gusgo and Titan had a strong second quarter. The transportation industry is benefitting as the economy strengthens, resulting in increased volumes at Gusgo. Titan's results were substantially improved over the prior year quarter. Increased activity in the conventional oil and gas industry as well as in the oil sands has increased demand for Titan's products and services.

CORPORATE

Corporate costs were comparable to the prior year quarter. Salary expense increased compared to the prior year due to non-cash expenses related to the new stock option plan, which was offset by a reduction in professional fees.

ACQUISITIONS

On February 10, 2011, NPC increased 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 increased its investment in Morrison Williams by 6.66% to bring total ownership to 86.66%. [see Divestitures]

On December 20, 2010, Tuckamore increased its investment in NPC by 20% to bring total ownership to 100%.

On January 4, 2010, Tuckamore increased 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 $10,100 realizing an accounting gain of approximately $4,020. 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 LP for gross proceeds of $11,250. This resulted in an accounting gain of approximately $3,080. 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 acquisition purposes and specified working capital needs with the other 50% being used to repay senior indebtedness.

On July 5, 2011 Tuckamore announced that it had entered an agreement with Brompton Corp. and Brompton Group Limited ("BGL"), a significant shareholder of Brompton Corp., whereby BGL granted to Tuckamore an option to require BGL to acquire substantially all of Tuckamore's interest in Brompton Corp. for a purchase price of approximately $17,500. Tuckamore's option to require BGL to purchase its interest was conditional on a number of items, including the sale by Brompton of the shares of a subsidiary that manages certain Brompton investment funds to Aston Hill (the "Brompton Sale"), as well as regulatory compliance. The Brompton Sale closed on July 27, 2011. In accordance with the agreement, Tuckamore intends to exercise its option on August 29, 2011, with closing of the transaction expected during September, 2011, subject to regulatory compliance.

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 June 30		Six months ended June 30	
	2011	2010	2011	2010
Revenues	$ 12,577	$ 13,441	$ 24,539	$ 26,800
Cost of revenues	(8,321)	(9,186)	(16,268)	(17,925)
Gross profit	4,256	4,255	8,271	8,875
Selling, general and administrative expenses	(3,088)	(2,988)	(6,254)	(5,959)
Amortization expense	(449)	(1,054)	(2,105)	(2,307)
Depreciation expense	(206)	(220)	(398)	(458)
Income from equity investments	-	35	-	36
Interest expense	(43)	(30)	(75)	(56)
Gain on re-measurement of investment		-	-	9,051
Income tax recovery (expense) - deferred	85	(1,345)	414	704
Income (loss) for the period	$ 555	$ (1,347)	$ (147)	$ 9,886
Add:				
Amortization	449	1,054	2,105	2,307
Depreciation	206	220	398	458
Interest expense	43	30	75	56
Income tax expense (recovery) - deferred	(85)	1,345	(414)	(704)
EBITDA	$ 1,168	$ 1,302	$ 2,017	$ 12,003
Gain on re-measurement of investment	-	-	-	(9,051)
Adjusted EBITDA	$ 1,168	$ 1,302	$ 2,017	$ 2,952

(I) REVENUES

Revenues for the Marketing segment were $12,577 and $24,539 for the three and six months ended June 30, 2011, a 6.4% and 8.4% decrease over 2010 revenues of $13,441 and $26,800. The decrease was mostly due to decreased flow through revenue at Armstrong, which carries minimal gross margin contribution. IC Group had slightly improved revenue levels while Gemma had slightly lower revenues due to the reduction in outbound telesales volumes with a key client.

(II) GROSS PROFIT

Gross profit for the Marketing segment was $4,256 and $8,271, and gross margin percentage was 33.8% and 33.7% for the three and six months ended June 30, 2011. For the comparative period ended June 30, 2010, gross profit was $4,255 and $8,875, and gross profit margin was 31.7% and 33.1%. The improved margin was primarily due to Armstrong's revenue shift to fee based revenue from lower margin flow through revenue.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the three and six months ended June 30, 2011 were $3,088 and $6,254 compared to $2,988 and $5,959 in 2010. While the expense levels are comparable to the prior year periods, these expenses as a percentage of revenues were 24.6% and 25.5% in 2011 compared to 22.2% and 22.2% in 2010. The increase in percentage of revenue reflects the aforementioned reduction in revenue.

(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 June 30		Six months ended June 30	
	2011	2010	2011	2010
Revenues	$ 127,311	$ 101,185	$ 244,172	$ 174,614
Cost of revenues	(101,869)	(81,118)	(197,376)	(141,879)
Gross profit	25,442	20,067	46,796	32,735
Selling, general and administrative expenses	(15,228)	(10,797)	(30,675)	(21,778)
Amortization expense	(6,982)	(1,581)	(12,648)	(3,152)
Depreciation expense	(2,673)	(2,270)	(5,157)	(4,566)
Interest expense	(3,020)	(1,914)	(5,655)	(3,898)
Gain on re-measurement of investment	-	-	9,644	-
Transaction costs	-	-	(194)	-
Write-down of goodwill and intangible assets	(321)	(1,779)	(321)	(1,779)
Income tax expense - current	-	(14)	(3)	(14)
Income tax (expense) recovery - deferred	2,364	122	6,608	(944)
Income (loss) for the period	$ (418)	$ 1,834	$ 8,395	$ (3,396)
Add:				
Amortization	6,982	1,581	12,648	3,152
Depreciation	2,673	2,270	5,157	4,566
Interest expense	3,020	1,914	5,655	3,898
Income tax expense - current	-	14	3	14
Income tax expense (recovery) - deferred	(2,364)	(122)	(6,608)	944
EBITDA	$ 9,893	$ 7,491	$ 25,250	$ 9,178
Gain on re-measurement of investment	-	-	(9,644)	-
Write-down of goodwill and intangible assets	321	1,779	321	1,779
Adjusted EBITDA	$ 10,214	$ 9,270	$ 15,927	$ 10,957

	Three months ended June 30				Six months ended June 30			
	NPC		Quantum Murray		NPC		Quantum Murray	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues	$ 97,165	$ 76,820	$ 30,146	$ 24,365	$ 182,579	$ 129,224	$ 61,593	$ 45,390
Cost of revenues	(78,556)	(62,732)	(23,313)	(18,386)	(149,251)	(106,393)	(48,125)	(35,486)
Gross profit	18,609	14,088	6,833	5,979	33,328	22,831	13,468	9,904
Selling, general and administrative expenses	(10,450)	(5,686)	(4,778)	(5,111)	(20,840)	(11,387)	(9,835)	(10,391)
Amortization expense	(6,200)	(799)	(782)	(782)	(11,084)	(1,588)	(1,564)	(1,564)
Depreciation expense	(2,428)	(1,338)	(245)	(932)	(3,990)	(2,701)	(1,167)	(1,865)
Interest expense	(2,932)	(1,884)	(88)	(30)	(5,473)	(3,793)	(182)	(105)
Gain on re-measurement of investment	-	-	-	-	9,644	-	-	-
Transaction costs	-	-	-	-	(194)	-	-	-
Write-down of goodwill and intangible assets	(321)	(1,779)	-	-	(321)	(1,779)	-	-
Income tax expense - current		(14)	-	-	(3)	(14)	-	-
Income tax (expense) recovery - deferred	2,451	502	(87)	(380)	6,004	1,105	604	(2,049)
Income (loss) for the period	$ (1,271)	$ 3,090	$ 853	$ (1,256)	$ 7,071	$ 2,674	$ 1,324	$ (6,070)
Add:								
Amortization	6,200	799	782	782	11,084	1,588	1,564	1,564
Depreciation	2,428	1,338	245	932	3,990	2,701	1,167	1,865
Interest expense	2,932	1,884	88	30	5,473	3,793	182	105
Income tax expense - current	-	14	-	-	3	14	-	-
Income tax expense (recovery) - deferred	(2,451)	(502)	87	380	(6,004)	(1,105)	(604)	2,049
EBITDA	$ 7,838	$ 6,623	$ 2,055	$ 868	$ 21,617	$ 9,665	$ 3,633	$ (487)
Gain on re-measurement of investment	-	-	-	-	(9,644)	-	-	-
Write-down of goodwill and intangible assets	321	1,779	-	-	321	1,779	-	-
Adjusted EBITDA	$ 8,159	$ 8,402	$ 2,055	$ 868	$ 12,294	$ 11,444	$ 3,633	$ (487)

(I) REVENUES

Revenues from the Industrial Services segment were $127,311 and $244,172 for the three and six months ended June 30, 2011 compared with $101,185 and $174,614 in the prior year period, which reflects an increase of 25.8% and 39.8%. The improvement was partially driven by Tuckamore's increase in ownership of NPC from 80% to 100% in December 20, 2010 and February 10, 2011, NPC purchased the remaining 20% interest in Golosky, its largest subsidiary. Revenues could have been further improved at NPC but for forest fires in Northern Alberta which impacted client operations, and unforeseen delays in turnaround work which will now be scheduled later in the year. Quantum Murray had a strong quarter with each of its three divisions, Environmental, Demolition and Metals exceeding prior year activity levels.

(II) GROSS PROFIT

Gross profit was $25,442 and $46,796 for the three and six months ended June 30, 2011 compared with $20,067 and $32,735 in 2010. Gross profit margins were 20.0% and 19.2% compared to 19.8% and 18.7% in 2010.

At Quantum Murray, gross margins were slightly down from the prior year primarily due to a high margin remediation project that was in its final stages in the prior year quarter. NPC's margins were increased in the quarter largely as a result of revenue mix changes.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $15,228 and $30,675 for the three and six months ended June 30, 2011 compared to $10,797 and $21,778 in 2010. NPC's increase in selling, general and administrative expenses reflects the increase in ownership as well as costs related to a large enterprise reporting system conversion. Selling, general and administrative expenses as a percentage of revenues were 12.0% and 12.6% for the three and six months ended June 30, 2011, compared to 10.7% and 12.5% reported for the prior year period.

(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.

(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 Golosky from 80% to 100% in February 2011 resulted in a gain on re-measurement of the 80% interest in the amount of $9,644.

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 June 30		Six months ended June 30	
	2011	2010	2011	2010
Revenues	$ 10,405	$ 8,916	$ 22,603	$ 19,424
Cost of revenues	(6,952)	(6,002)	(15,287)	(13,218)
Gross profit	$ 3,453	$ 2,914	$ 7,316	$ 6,206
Selling, general and administrative expenses	(2,456)	(2,343)	(4,997)	(4,659)
Amortization expense	(329)	(329)	(658)	(658)
Depreciation expense	(110)	(132)	(226)	(272)
Income from equity investments	-	300	372	450
Interest expense	(169)	(145)	(331)	(291)
Transaction costs			-	
Income tax recovery (expense) - deferred	(33)	46	37	93
Income for the period	$ 356	$ 311	$ 1,513	$ 869
Add:				
Amortization	329	329	658	658
Depreciation [1]	124	147	253	302
Interest expense	169	145	331	291
Income tax (recovery) expense - deferred	33	(46)	(37)	(93)
EBITDA and Adjusted EBITDA	$ 1,011	$ 886	$ 2,718	$ 2,027

1 Depreciation of $14 and $27 relating to production equipment has been included in cost of revenues (2010 - $15 and $30).

(I) REVENUES

Revenues for the other segment were $10,405 and $22,603 for the three and six months ended June 30, 2011, compared to $8,916 and $19,424 in the prior year period, which reflects an increase of 16.7% and 16.4%. 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.

(II) GROSS PROFIT

Gross profit was $3,453 and $7,316 for the three and six months ended June 30, 2011, compared with $2,914 and $6,206 for 2010. Gross profit margins were 33.2% and 32.4% the three and six months ended June 30, 2011 and 32.7% and 32.0% for prior year period.

Both Titan and Gusgo have slightly improved gross margins compared to the prior year due primarily to cost efficiencies.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $2,456 and $4,997 for the three and six months ended June 30, 2011, compared with $2,343 and $4,659 for 2010. These expenses as a percentage of revenues were 23.6% and 22.1%, compared to 26.3% and 24.0% in the prior year period.

(IV) INCOME FROM EQUITY INVESTMENTS

Income from equity investments related to Tuckamore's ownership share of Rlogistics was $nil and $372 for the three and six months ended June 30, 2011 compared to $300 and $450 in the prior year period. The current quarter's results reflect lower retail volumes. This investments profits are 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 June 30		Six months ended June 30	
	2011	2010	2011	2010
Selling, general and administrative expenses	$ (2,762)	$ (2,797)	$ (6,242)	$ (5,979)
Amortization expense	(19)	(23)	(36)	(47)
Depreciation expense	(88)	-	(529)	-
Interest expense	(4,251)	(4,663)	(8,569)	(12,137)
Gain on debt extinguishment	-	-	37,451	-
Fair value adjustment to stock compensation expense	-	46	(883)	351
Transaction costs	(205)	-	(1,194)	(40)
Income tax expense - current	(5)	(30)	(5)	(30)
Income tax (expense) recovery - deferred	757	(1,114)	(6,864)	721
Income (loss) for the period	$ (6,573)	$ (8,581)	$ 13,129	$ (17,161)
Add:				
Amortization expense	19	23	36	47
Depreciation expense	88	-	529	-
Interest expense	4,251	4,663	8,569	12,137
Income tax expense - current	5	30	5	30
Income tax expense (recovery) - deferred	(757)	1,114	6,864	(721)
EBITDA	$ (2,967)	$ (2,751)	$ 29,132	$ (5,668)
Gain on debt extinguishment	-	-	(37,451)	-
Fair value adjustments to stock compensation expense	-	(46)	883	(351)
Adjusted EBITDA	$ (2,967)	$ (2,797)	$ (7,436)	$ (6,019)

(I) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $2,762 and $6,242 for the three and six months ended June 30, 2011, compared to $2,797 and $5,979 for 2010. The break-down of selling, general and administrative expenses is as follows:

	Three months ended June 30		Six months ended June 30	
	2011	2010	2011	2010
Salaries	$ 2,028	$ 1,531	$ 4,812	$ 3,805
Professional advisor fee	385	445	821	733
Legal	201	379	308	491
Other	148	442	301	950
Selling, general and administrative expenses	$ 2,762	$ 2,797	$ 6,242	$ 5,979

Increases in salaries reflects non-cash expenses related to the stock based incentive plan of $526 and $1,311 in the three and six months of 2011, compared to $107 and $729 in the prior year periods.

(II) INTEREST EXPENSE

Interest expense was $4,251 and $8,569 for the three and six months ended June 30, 2011 compared to $4,663 and $12,137 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 $205 and $1,194 (2010 - $nil and $40) incurred in transaction costs relating to acquisitions and conversion to a corporation.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The following table summarizes the major consolidated cash flow components:

Six months ended June 30	2011	2010
Cash provided by (used in) operating activities	$ (28,977)	$ 12,275
Cash used in investing activities	(14,838)	(6,440)
Cash provided by (used in) financing activities	24,910	(33,195)
Consolidated cash and cash equivalents - (continuing and discontinued operations)	8,834	16,522

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.

Six months ended June 30	2011	2010
Cash provided by (used in) operations	$ 3,534	$ (3,002)
Changes in non-cash balances		
Accounts receivable	(27,661)	7,801
Inventories	(1,143)	(2,755)
Other current assets	(4,408)	(3,439)
Accounts payable, accrued liabilities and deferred revenue	138	(8,634)
Decrease in cash due to changes in non-cash balances	(33,074)	(7,027)
Cash and distributions provided by discontinued operations	563	22,304
Cash provided by (used in) operating activities	(28,977)	12,275

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 $14,838 compared to $6,440 in the prior year period. See table below for further details.

Six months ended June 30	2011	2010
Acquisition of businesses, net of cash acquired		
Golosky Energy Services and Morrison Williams	(14,547)	-
Gemma	-	(4,321)
	(14,547)	(4,321)
Purchase of property, plant and equipment, net of disposals	(148)	(1,229)
Purchase of software	(710)	-
Increase in other assets		(405)
Cash provided by (used in) discontinued operations	567	(485)
Cash used in investing activities	(14,838)	(6,440)

CASH FROM FINANCING ACTIVITIES

Cash provided by financing activities was $24,910 during the six months ended June 30, 2011 and cash used in financing activities was $33,195 in the prior year period.

Six months ended June 30		2011		2010
Increase (repayment) of long-term debt	$	29,766	$	(18,225)
Increase (decrease) in cash held in trust		(1,011)		(1,047)
Repayment of capital lease obligations		(2,828)		(2,416)
Cash used in discontinued operations		(1,017)		(11,507)
Cash provided by (used in) financing activities		24,910		(33,195)

The increase in long-term debt for the six months ended June 30, 2011 was due to the acquisition of GES and funding of working capital requirements.

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.

DEBENTURES

On February 28, 2011, Tuckamore issued a 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

Newport 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, as well as 75% of available cash flow beginning in the final quarter of 2011.

Subsequent to the end of the second quarter of 2011, Tuckamore completed the disposal of 3 investments for total net proceeds of approximately $20,600. $15,000 of proceeds was 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 thereunder. The balance of approximately $5,600 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. Seasonal increased working capital needs at NPC in 2011 have been supported by additional borrowings of $10,000 in the second quarter of 2011 from the senior lender, which amounts are required to be repaid by October 31, 2011.

WORKING CAPITAL

		June 30, 2011		December 31, 2010
Current assets	$	182,744	$	162,483
Current liabilities		130,665		357,100
Working capital - excluding discontinued operations		52,079		(194,617)
Working capital - discontinued operations		23,895		23,012
Total working capital	$	75,974	$	(171,605)

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

CAPITAL EXPENDITURES

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

Six months ended June 30, 2011		Marketing		NPC		QM		Other		Total
Capital expenditures	$	254	$	278	$	112	$	27	$	671
Capital lease repayments		86		1,846		757		139		2,828
	$	340	$	2,124	$	869	$	166	$	3,499

Six months ended June 30, 2010		Marketing		NPC		QM		Other		Total
Capital expenditures	$	113	$	353	$	729	$	34	$	1,229
Capital lease repayments		103		1,165		1,027		121		2,416
	$	216	$	1,518	$	1,756	$	155	$	3,645

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 June 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 $59,446 at June 30, 2011 (December 31, 2010 - $49,841).

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 $129,341 at June 30, 2011 (December 31, 2010 - $131,096).

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 June 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 June 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 28.3%.

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")

IFRS 9 replaces IFRS 39, Financial Instruments: Recognition and Measurement. 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 replaces 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 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3
	IFRS						Canadian GAAP	
Revenues	$ 150,293	$ 141,021	$ 114,865	$ 118,411	$ 123,542	$ 97,296	$ 120,579	$ 132,951
Net Income (loss) from continuing operations	(6,080)	28,970	44,056	(9,375)	(7,783)	(2,019)	(29,833)	(9,753)
Net income (loss)	(2,391)	29,077	39,893	(13,738)	(4,196)	112	5,415	(8,510)
Income (loss) per unit from continuing operations	(0.08)	0.40	0.61	(0.13)	(0.11)	(0.03)	(0.41)	(0.14)
Income (loss) per unit	(0.03)	0.40	0.56	(0.19)	(0.06)	-	0.08	(0.12)

CONTINGENCIES

TRANSACTIONS WITH RELATED PARTIES

OWNERSHIP

As of June 30, 2011, directors, officers and employees, and operating partnership related to Tuckamore beneficially hold an aggregate of 19,434,292 units or 22% 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 $5,681 (December 31, 2010 – $2,767) made to the Operating Partnerships.

Selling, general and administrative expenses include $2,353 of rent expense paid to related parties of Quantum Murray, Gusgo and NPC (2010 - $899).

Tuckamore shares space and services with a business which employs two of the directors of Tuckamore, and paid $90 during the three months ended June 30, 2011 (2010-$52) and $182 during the six months ended June 30, 2011 (2010-$105) 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 July 27, 2011 Tuckamore sold its 86.66% interest in Morrison Williams Investment Management LP for gross proceeds of $10,100 realizing an accounting gain of approximately $1,600 (net of tax of $1,646). 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 Debentures 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 LP for gross proceeds of $11,250. This resulted in an accounting gain of approximately $2,450. 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 Debentures and Unsecured Debentures to be held and used for specified acquisition purposes and specified working capital needs with the other 50% being used to repay senior indebtedness.

On July 5, 2011 Tuckamore announced that it had entered an agreement with Brompton Corp. and Brompton Group Limited ("BGL"), a significant shareholder of Brompton Corp., whereby BGL granted to Tuckamore an option to require BGL to acquire substantially all of Tuckamore's interest in Brompton Corp. for a purchase price of approximately $17.5 million. Tuckamore's option to require BGL to purchase its interest was conditional on a number of items, including the sale by Brompton of the shares of a subsidiary that manages certain Brompton investment funds to Aston Hill (the "Brompton Sale"), as well as regulatory compliance. The Brompton sale closed on July 27, 2011. In accordance with the agreement, Tuckamore intends to exercise its option on August 29, 2011, with closing of the transaction expected during September, 2011, subject to regulatory compliance.

A statement of claim had been filed in the Court of Queen's Bench Alberta alleging breach of contract and negligence. The claim was for $630 relating to third party costs and $38,600 in damages. The claim was settled subsequent to the quarter end for an immaterial amount after insurance proceeds.

THIRD 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 Q3 and beyond is positive. Significant new business from Gemma's largest client, as well as other client successes will benefit the second half 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 is challenging as client-spending decisions are taking longer to finalize.

Within the Industrial Services segment, the second half of the year is typically strong for NPC, our oil and gas services business. The third quarter will see some turnaround plant maintenance assignments, and in general NPC is seeing increased workload, in its fabrication and transportation divisions. Following a solid first half by Quantum Murray, a healthy work backlog is encouraging for both the demolition and remediation divisions, and should benefit this quarter and beyond.

Titan and Gusgo's third quarter business levels are expected to be similar to this second quarter, and reflect the continued strength of the Alberta oil and gas and construction sectors, and broad economic strengthening respectively.

In the Corporate segment there will be lower legal and advisor costs in future quarters, and we are looking to further rationalize other 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 June 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 June 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; and