TUCKAMORE CAPITAL MANAGEMENT INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTER ENDED SEPTEMBER 30, 2012

Dear Shareholders:

Financial performance in the third quarter was stronger than the second quarter as we have made some progress in containing the losses being experienced in our Demolition business.

We previously reported challenges with certain fixed price contract projects at Quantum Murray. The significance of these losses have caused us to review and assess the Demolition division, and it has been determined, for the moment, that new demolition work will not be bid until there is greater comfort in the internal processes around estimating and project management. As a result, the division is being right-sized to handle only the completion of projects underway. While still under review, going forward this division may operate more as a support function to the Remediation division in cases where demolition is a component of a remediation bid.

ClearStream, our oil and gas services business has had another strong quarter. It is operating at capacity. To continue its growth, ClearStream needs access to skilled labour, and access to more working capital. The former is an issue not specific to ClearStream, as all businesses in the Alberta oil sector are challenged by a very tight labour market. We do believe we have a competitive edge through best in class human resources programs which are in place to attract and retain personnel.

The issue of access to working capital is a consequence of Tuckamore's own capital structure. As discussed previously, our debt agreements are restrictive and disallow additional borrowings. In the absence of additional funding, cash management to ensure ClearStream can continue its growth has been and continues to be the highest priority for Tuckamore. It is a complex issue and requires close and constant attention.

Losses within the Demolition business have impacted the financial ratio covenant tests with our senior lender. Our senior lender has recently agreed to amendments to the covenants for the next three quarters. Tuckamore is in compliance with the amended senior debt covenants.

Thank you for your continued support.

Dean T. MacDonald

President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS
NOVEMBER 14, 2012

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, 2012 and 2011. This MD&A should be read in conjunction with Tuckamore's audited consolidated financial statements for the years ended December 31, 2011 and 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 14, 2012 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 30, and references to "we", "us", "our" or similar terms, refer to Tuckamore Capital Management Inc., 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- GAAP 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-GAAP measures may differ from the methods used by other issuers. Therefore, Tuckamore's Non-GAAP 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 net 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 bargain purchase, gain or loss 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 annual audited consolidated financial statements available on SEDAR at www.sedar.com or www.tuckamore.ca

INDUSTRY SEGMENTS

Tuckamore has three operating segments. A majority 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		
Gemma	An outsourced contact centre operator providing outbound revenue generation and inbound customer care services	100%
IC Group	Provider of on-line promotional and loyalty programs and select insurance products	80%
Industrial Services		
ClearStream (formerly "NPC")	Provider of oil and gas maintenance, construction and wear technology services to both the conventional oil and gas industry and the oil sands	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 closeout, discount and refurbished consumer electronic and household goods in Ontario	36%
Titan	Manufacturer and distributor of rigging products and services, and ground engaging tools to the oil and gas, and construction sectors.	92%

THIRD QUARTER PERFORMANCE

SUMMARY RESULTS FROM CONTINUING OPERATIONS ($000s)

	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
Revenues	$ 189,536	$ 158,202	$ 554,193	$ 439,496
Cost of revenues	(149,874)	(121,431)	(446,668)	(343,059)
Gross profit	39,662	36,771	107,525	96,437
Selling, general and administrative expenses	(27,094)	(21,562)	(80,826)	(67,852)
Amortization expense	(2,910)	(2,838)	(7,870)	(9,648)
Depreciation expense	(4,247)	(5,647)	(11,255)	(12,944)
Income from equity investments	-	-	-	372
Interest expense	(4,956)	(6,720)	(15,740)	(18,216)
Accretion of secured and unsecured debentures	(2,824)	(2,466)	(8,185)	(5,528)
(Loss) gain on debt extinguishment	(724)	-	(3,535)	37,451
Gain on remeasurement	-	7,281	-	7,281
Gain on bargain purchase	-	709	-	709
Restructuring costs	(926)	-	(926)	-
Fair value adjustment to stock based compensation expense	-	-	-	(883)
Transaction costs	-	(910)	-	(2,293)
Income tax expense - current	(632)	(6)	(644)	(14)
Income tax (expense) recovery - deferred	(403)	(300)	2,432	(2,394)
(Loss) Income from continuing operations	$ (5,054)	$ 4,312	$ (19,024)	$ 22,478
Add:				
Amortization	2,910	2,838	7,870	9,648
Depreciation	4,247	5,647	11,255	12,944
Interest expense	4,956	6,720	15,740	18,216
Accretion of secured and unsecured debentures	2,824	2,466	8,185	5,528
Income tax expense - current	632	6	644	14
Income tax expense (recovery) - deferred	403	300	(2,432)	2,394
EBITDA	$ 10,918	$ 22,289	$ 22,238	$ 71,222
Loss (gain) on debt extinguishment	724	-	3,535	(37,451)
Gain on remeasurement	-	(7,281)	-	(7,281)
Gain on bargain purchase	-	(709)	-	(709)
Restructuring costs	926	-	926	-
Fair value adjustment to stock based compensation expense	-	-	-	883
Adjusted EBITDA	$ 12,568	$ 14,299	$ 26,699	$ 26,664

Selected Balance Sheet Accounts	September 30, 2012	December 31, 2011
Total assets	$ 449,710	$ 456,035
Senior credit facility	90,755	95,705
Secured debentures	151,197	146,314
Unsecured debentures	17,517	14,215
Shareholders' equity	61,535	77,638

THIRD QUARTER AND NINE MONTHS 2012 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 nine months ended September 30, 2012 were $189,536 and $554,193 compared to $158,202 and $439,496 in 2011, an increase of 19.8% and 26.1%. The increase was largely driven by the Industrial Services segment. The largest contributor to this increase was ClearStream where most of the divisions are benefiting from substantial increases in activity compared to the prior year. The acquisitions of the additional ownership in Golosky in February 2011 and Quantum Murray in September 2011 also contributed to the increase in revenue for the nine months ended September 30, 2012.

Gross profit for the three and nine months ended September 30, 2012 was $39,662 and $107,525 compared to $36,771 and $96,437 in the prior year quarter, an increase of 7.9% and 11.5%. The increase reflects the increased revenue at ClearStream. Gross margins were 20.9% and 19.4% for the three and nine months ended September 30, 2012 compared to 23.2% and 21.9% in the prior year. The margin percentage decline compared to the prior year was primarily at Quantum Murray due to margin erosion on a number of large projects in the Demolition division.

For the three and nine months ended September 30, 2012, these three operating segments produced $14,575 and $32,503 of Adjusted EBITDA for Tuckamore compared to $18,856 and $38,655 in prior year. Refer to the chart on the following page for Adjusted EBITDA by operating partner. Armstrong Partnership was sold in June 2012 and therefore is classified as a discontinued operation.

Corporate costs for three and nine months ended September 30, 2012 were $2,007 and $5,804 compared to $4,557 and $11,991 in 2011. The significant decrease is primarily related to costs incurred in the prior year with regards to the conversion to a corporation, professional fees for the transition to IFRS, transaction work relating to the increase in ownership of Golosky, and a fair value adjustment relating to stock compensation expense. Similar costs were not incurred for the period ending September 30, 2012.

After corporate costs Adjusted EBITDA for three and nine months ended September 30, 2012 were $12,568 and $26,699 compared to $14,299 and $26,664.

Non-cash items that impacted the results were depreciation and amortization, deferred income taxes and gain/loss on debt extinguishment. Depreciation and amortization was $7,157 and $19,125 for three and nine months ended September 30, 2012, compared to $8,485 and $22,592 for the prior year.

On September 30, 2011 Tuckamore acquired the additional 35.7% interest in Quantum Murray that it did not previously own. The purchase accounting for this transaction was preliminary as at December 31, 2011 and was subsequently finalized during the period ended September 30, 2012. Overall, Tuckamore's existing 64.3% investment was revalued resulting in a gain on remeasurement of $7,281. The acquisition cost of the minority interest was exceeded by the fair market value of the assets acquired resulting in a gain on bargain purchase of $709. The adjustments required to finalize the purchase price allocation were applied retrospectively and as such they are reflected in the comparative figures.

The refinancing of the senior debt facility in March 2012 was treated as an extinguishment of debt for accounting purposes. This resulted in a $3,535 expense comprised of the write-off of previously deferred financing costs and transaction costs related to the new credit facility.

The refinancing of Tuckamore's convertible debentures and interest owing thereon and the subordinated revolving credit facility resulted in the issue of new Secured and Unsecured debentures in the first quarter of 2011. The new debentures were 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 subordinated revolving credit facility, less all transactions costs, was recorded in the income statement as a gain on extinguishment of debt of $37,451.

During the three and nine months ended September 30, 2012 cash interest costs were $4,956 and $15,740, compared with $6,720 and $18,216 in the prior period. The non-cash accretion expense and deferred financing expense were $3,066 and $8,304 for three and nine months ended September 30, 2012, compared to $2,622 and $5,656 in the prior periods. The increase in non-cash interest is due to the accretion expense related to the Secured Debentures and Unsecured Debentures, which were recorded at their fair values and accrete up to their face value using the effective interest method over the term of the debentures. The decrease in cash interest costs reflects the lower interest rate on the refinanced senior debt facility and lower debt balances. During the three and nine months ended September 30, 2012, the operating segments had capital expenditures and capital lease payments of $1,565 and $7,466, compared to $2,077 and $5,611 in the same periods in 2011. The majority of these expenditures were incurred in the Industrial Services segment.

Net loss for the three and nine months ended September 30, 2012 from continuing operations was $5,054 and $19,024 compared to a net income of $4,312 and $22,478 for the three and nine months ended September 30, 2011.

Adjusted EBITDA		**Q3 2012**		**Q3 2011**		**2012 vs. 2011**
Marketing						
Gemma		304		1,282		(978)
IC Group		354		251		103
	$	658	$	1,533	$	(875)
Industrial Services						
ClearStream		10,466		9,967		499
Quantum Murray		2,118		6,220		(4,102)
	$	12,584	$	16,187	$	(3,603)
Other						
Gusgo		744		521		223
Titan		589		615		(26)
Rlogistics		-		-		-
	$	1,333	$	1,136	$	197
Adjusted EBITDA from portfolio operations	$	14,575	$	18,856	$	(4,281)
Corporate		(2,007)		(4,557)		2,550
Adjusted EBITDA from operations	$	12,568	$	14,299	$	(1,731)

MARKETING

The Marketing segment had mixed results in the quarter. Gemma had a challenging quarter with lower revenues in comparison to the same quarter in the prior year. Gemma's revenues decreased due to a reduction in business volumes from a few key clients. In addition, Gemma experienced increased costs associated with regulatory changes for certain clients in the financial sector. IC Group had improved results compared to the same period in the prior year. The positive results were directly related to increased sales to existing clients and an overall improvement in margins due to the realization of operational efficiencies.

INDUSTRIAL SERVICES

The Industrial Services segment had a mixed quarter with ClearStream reporting solid results while Quantum Murray had a disappointing quarter, although improved from the previous quarter.

At ClearStream most divisions continue to experience increased business volumes. The Oil Sands division was impacted by a delay in a large turnaround project, which will positively impact the fourth quarter results. The Fabrication and Conventional Industrial Services divisions in particular had significant EBITDA contribution which exceeded prior year results.

Quantum Murray had a disappointing quarter with all divisions reporting lower results compared to the same prior year period. The third quarter however was improved from the prior two quarters largely due to improvements in the Demolition division, where a review of the internal bidding processes and restructuring measures have been undertaken. The Environmental division had a satisfactory quarter with the Hazmat division being a major contributor to the group's profitability. The Metals division was negatively affected by the Demolition division's decreased activity thereby decreasing metals volumes and gross margins.

OTHER

Gusgo continues to have improved results over the previous year due to an increase in business from one of its larger clients and the addition of a new significant client. Favourable gross margins have been realized as a result of achieving operational improvement with one client.

For Titan while economic improvements in the general construction market have resulted in higher revenues compared to last year, these gains were offset by lower than anticipated revenues from the oil & gas and government market segments. EBITDA was slightly lower compared to prior year due to some margin erosion as a result of competitive pressures on larger tender sales and higher labour costs.

SEGMENT OPERATING RESULTS

MARKETING

The Marketing segment includes 100% of the results of Gemma and Tuckamore's 80% proportionate share of the results of IC Group. The results for Armstrong are no longer included in the marketing segment. Tuckamore's 80% interest in Armstrong was sold on June 29, 2012.

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	
	2012	2011	2012	2011
Revenues	$ 8,861	$ 11,488	$ 27,605	$ 31,049
Cost of revenues	(5,906)	(7,452)	(18,168)	(20,311)
Gross profit	2,955	4,036	9,437	10,738
Selling, general and administrative expenses	(2,297)	(2,503)	(7,360)	(7,730)
Amortization expense	(782)	(826)	(2,347)	(2,070)
Depreciation expense	(159)	(167)	(494)	(493)
Interest expense	(9)	(29)	(32)	(97)
Income tax (expense) recovery - current	-	-	(12)	-
Income tax recovery (expense) - deferred	218	267	(161)	700
Income (loss) for the period	$ (74)	$ 778	$ (969)	$ 1,048
Add:				
Amortization expense	782	826	2,347	2,070
Depreciation expense	159	167	494	493
Interest expense	9	29	32	97
Income tax expense (recovery) - current	-	-	12	-
Income tax (recovery) expense - deferred	(218)	(267)	161	(700)
EBITDA	$ 658	$ 1,533	$ 2,077	$ 3,008

(I) REVENUES

Revenues for the Marketing segment were $8,861 and $27,605 for the three and nine months ended September 30, 2012. This represents an decrease of 22.9% and 11.1% over 2011 revenues of $11,488 and $31,409. The decrease was primarily driven by the results of Gemma where there has been a reduction in volume from a few key clients. More specifically, two key clients have reduced their marketing budgets, creating volatility in business volumes for Gemma. Revenues at IC Group have improved over the same period in the prior-year due to the introduction of additional product lines to existing clients, and global distribution of certain programs for one large client.

(II) GROSS PROFIT

Gross Profit for the Marketing segment was $2,955 and $9,437, and the related gross margin percentage was 33.3% and 34.2% for the three and nine months ended September 30, 2012. For the comparative period ended September 30, 2011, gross profit was $4,036 and $10,738, and the gross profit margins were 35.1% and 34.6%.

Gemma's gross profit decreased primarily due to increased training requirements from a key client and the cancellation of a higher gross margin program. The decreases experienced at Gemma were offset to a degree by IC Group as a result of increased volumes from existing clients and improved operational efficiencies.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the three and nine months ended September 30, 2012 were $2,297 and $7,360 compared to $2,503 and $7,730 in 2011. These expenses as a percentage of revenues were 25.9% and 26.7% in 2012 compared to 21.8% and 24.9% in 2011. The decrease in selling, general and administrative expenses were primarily from Gemma where costs have been lower carefully managed due to lower business volumes.

INDUSTRIAL SERVICES

The Industrial Services segment includes 100% of the results of ClearStream and Quantum Murray (2011 – 64.3%).

ClearStream (formerly "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	
	2012	2011	2012	2011
Revenues	$ 168,535	$ 134,801	$ 490,150	$ 373,930
Cost of revenues	(135,778)	(105,791)	(404,165)	(299,274)
Gross profit	32,757	29,010	85,985	74,656
Selling, general and administrative expenses	(20,173)	(12,823)	(59,713)	(42,645)
Amortization expense	(2,115)	(1,666)	(4,978)	(6,445)
Depreciation expense	(2,536)	(5,284)	(6,796)	(11,941)
Interest expense	(3,041)	(3,017)	(8,868)	(8,607)
Transaction costs	-	-	-	(190)
Gain on remeasurement	-	7,281	-	7,281
Gain on bargain purchase	-	709	-	709
Restructuring costs	(926)	-	(926)	-
Income tax expense - current	(632)	(6)	(632)	(9)
Income tax recovery - deferred	1,149	241	1,207	4,263
Income for the period	$ 4,483	$ 14,445	$ 5,279	$ 17,072
Add:				
Amortization	2,115	1,666	4,978	6,445
Depreciation	2,536	5,284	6,796	11,941
Interest expense	3,041	3,017	8,868	8,607
Income tax expense - current	632	6	632	9
Income tax recovery - deferred	(1,149)	(241)	(1,207)	(4,263)
EBITDA	$ 11,658	$ 24,177	$ 25,346	$ 39,811
Gain on bargain purchase	-	(709)	-	(709)
Gain on remeasurement	-	(7,281)	-	(7,281)
Restructuring costs	926	-	926	-
Adjusted EBITDA	$ 12,584	$ 16,187	$ 26,272	$ 31,821

INDUSTRIAL SERVICES

	Three months ended September 30				Nine months ended September 30			
	ClearStream		Quantum Murray		ClearStream		Quantum Murray	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues	$120,019	$ 91,163	$ 48,516	$ 43,638	$ 361,870	$ 268,699	$ 128,280	$ 105,231
Cost of revenues	(97,368)	(74,212)	(38,410)	(31,579)	(299,283)	(219,570)	(104,882)	(79,704)
Gross profit	22,651	16,951	10,106	12,059	62,587	49,129	23,398	25,527
Selling, general and administrative expenses	(12,185)	(6,984)	(7,988)	(5,839)	(35,966)	(26,972)	(23,747)	(15,673)
Amortization expense	(1,659)	(1,237)	(456)	(429)	(4,110)	(4,683)	(868)	(1,762)
Depreciation expense	(1,911)	(3,576)	(625)	(1,708)	(4,965)	(9,120)	(1,831)	(2,821)
Interest expense	(2,929)	(2,890)	(112)	(127)	(8,618)	(8,297)	(250)	(310)
Transaction costs	-	-	-	-	-	(189)	-	(1)
Gain on remeasurement	-	-	-	7,281	-	-	-	7,281
Gain on bargain purchase	-	-	-	709	-	-	-	709
Restructuring costs	-	-	(926)	-	-	-	(926)	-
Income tax expense - current	(632)	(6)	-	-	(632)	(9)	-	-
Income tax recovery (expense) - deferred	967	(549)	182	790	272	2,869	935	1,394
Income (loss) for the period	$ 4,302	$ 1,709	$ 181	$ 12,736	$ 8,568	$ 2,728	$ (3,289)	$ 14,344
Add:								
Amortization expense	1,659	1,237	456	429	4,110	4,683	868	1,762
Depreciation expense	1,911	3,576	625	1,708	4,965	9,120	1,831	2,821
Interest expense	2,929	2,890	112	127	8,618	8,297	250	310
Income tax expense - current	632	6	-	-	632	9	-	-
Income tax expense (recovery) - deferred	(967)	549	(182)	(790)	(272)	(2,869)	(935)	(1,394)
EBITDA	$ 10,466	$ 9,967	$ 1,192	$ 14,210	$ 26,621	$ 21,968	$ (1,275)	$ 17,843
Gain on bargain purchase	-	-	-	(709)	-	-	-	(709)
Gain on remeasurement	-	-	-	(7,281)	-	-	-	(7,281)
Restructuring costs	-	-	926	-	-	-	926	-
Adjusted EBITDA	$ 10,466	$ 9,967	$ 2,118	$ 6,220	$ 26,621	$ 21,968	$ (349)	$ 9,853

(I) REVENUES

Revenues from the Industrial Services segment were $168,535 and $490,150 for the three and nine months ended September 30, 2012 compared with $134,801 and $373,930 in the prior year period, which reflects an increase of 25.0% and 31.1%.

Revenues at ClearStream increased $28,856 or 31.7% compared to the prior year quarter. The Fabrication division experienced a material favourable variance primarily due to work completed on a significant Module contract. The Conventional Industrial Services division also had a large positive variance compared to the prior year quarter as business volumes continue to increase from existing clients and from new clients. The Wear and Transportation divisions had a solid quarter with revenue exceeding the prior year quarter. The Oil Sands division was the only division with decreased revenue from prior year due to a delay in a large turnaround project.

At Quantum Murray revenues increased $4,878 or 11.2% reflecting the increase in ownership in September 2011. Revenues were lower across all divisions compared to a year ago. The Demolition division experienced a large decrease from last year due to the lack of large projects that were underway in the third quarter of 2011. The Remediation division had a busy quarter however revenues were down compared to the prior year quarter when two significant projects were underway. The Metals division was affected by lower demolition activity and lower scrap volumes.

(II) GROSS PROFIT

Gross profit was $32,757 and $85,985 for the three and nine months ended September 30, 2012 compared with $29,010 and $74,656 in 2011. Gross profit margins were 19.4% and 17.5% compared to 21.5% and 20.0% in 2011.

Gross profit at ClearStream increased from the prior year quarter due to the increase in revenue levels; while gross margin percentages remained stable at 19%. All divisions except for Oil Sands division had gross margin increases directly related to the increase in revenue levels. The Oil Sands had slightly lower gross margin due to lower revenue compared to prior year quarter.

At Quantum Murray gross margins were significantly down from the prior year primarily due to revenue shortfalls at all divisions and cost overruns on certain projects at the Demolition division. The Remediation division had lower gross margins due to the positive margin impact from two large profitable projects in the previous year. The Metals division had lower margins in the quarter due to lower revenues and lower trading margins on ferrous and non-ferrous scrap.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $20,173 and $59,713 for the three and nine months ended September 30, 2012 compared to $12,823 and $42,645 in the prior year period. Selling, general and administrative expenses as a percentage of revenues were 12.0% and 12.2% for the three and nine months ended September 30, 2012, an increase over the 9.5% and 11.4% reported for the prior year quarter.

Selling, general and administrative expenses at Quantum Murray were up from the prior year quarter due to the increase in ownership.

At ClearStream selling, general and administrative expenses costs have increased reflecting increased business volumes and the related requirements to increase project management, quality control, human resources and finance and administration staff.

(IV) RESTRUCTURING COSTS

Restructuring costs were recorded in the Demolition division at Quantum Murray, where measures have been taken to right size the division for the decrease in business volumes.

(V) SEASONALITY

ClearStream'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 ClearStream'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 (80.0%) and Titan (91.9%). This segment also includes income from Tuckamore's equity investment in Rlogistics (36.0%).

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

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
Revenues	$ 12,140	$ 11,913	$ 36,438	$ 34,517
Cost of revenues	(8,190)	(8,188)	(24,335)	(23,474)
Gross profit	$ 3,950	$ 3,725	$ 12,103	$ 11,043
Selling, general and administrative expenses	(2,617)	(2,589)	(7,949)	(7,589)
Amortization expense	-	(329)	-	(991)
Depreciation expense	(137)	(108)	(402)	(334)
Income from equity investments	-	-	-	372
Interest expense	(178)	(167)	(540)	(498)
Income tax (recovery) expense - deferred	220	40	(67)	356
Income for the period	$ 1,238	$ 572	$ 3,145	$ 2,359
Add:				
Amortization expense	-	329	-	991
Depreciation expense	137	108	402	334
Interest expense	178	167	540	498
Income tax recovery (expense) - deferred	(220)	(40)	67	(356)
EBITDA	$ 1,333	$ 1,136	$ 4,154	$ 3,826

(I) REVENUES

Revenues for the other segment were $12,140 and $36,438 for the three and nine months ended September 30, 2012, compared to $11,913 and $34,517 in the prior year quarter, which reflects an increase of 1.9% and 5.6%. Both Titan and Gusgo saw an increase in revenues year over year.

Titan's revenue levels were slightly increased over the prior year. Economic activity on general construction and oil and sands development has remained strong.

Gusgo's revenues and volumes increased over the prior year due to a key client and additional business from a new significant client.

(II) GROSS PROFIT

Gross profit was $3,950 and $12,103 for the three and nine months ended September 30, 2012, compared with $3,725 and $11,043 for 2011. Gross profit margins were 32.5 % and 33.2% the three and nine months ended September 30, 2012 and 31.3% and 32.0% for the prior year period.

Gusgo experienced an improvement in gross profit margins over the same period last year due to higher fuel cost recoveries and better storage cost management.

Gross margins for Titan were slightly below 2011 levels for the quarter as management continues to mitigate competitive pricing pressures with sourcing lower cost raw materials.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $2,617 and $7,949 for the three and nine months ended September 30, 2012, compared with $2,589 and $7,589 for 2011. These expenses as a percentage of revenues were 21.6% and 21.8% for three and nine months ended September 30, 2012 and 21.7% and 22.0% for the prior year period. Increased staff levels at Titan and labour related costs are the main factors for the increase in selling, general and administrative expenses compared to prior year.

(IV) INCOME FROM EQUITY INVESTMENTS

Income from equity investments related to Tuckamore's ownership share of Rlogistics was $nil for the three and nine months ended September 30, 2012 compared to $nil and $372 in the prior year.

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	
	2012	2011	2012	2011
General and administrative expenses	$ (2,007)	$ (3,647)	$ (5,804)	$ (9,888)
Amortization expense	(13)	(17)	(545)	(142)
Depreciation expense	(1,415)	(88)	(3,563)	(176)
Interest expense	(1,728)	(3,507)	(6,300)	(9,014)
Accretion of the secured and unsecured debentures	(2,824)	(2,466)	(8,185)	(5,528)
(Loss) gain on debt extinguishment	(724)	-	(3,535)	37,451
Fair value adjustment to stock compensation expense	-	-	-	(883)
Transaction costs	-	(910)	-	(2,103)
Income tax expense - current	-	-	-	(5)
Income tax recovery (expense) - deferred	(1,990)	(848)	1,453	(7,713)
(Loss) income for the period	$ (10,701)	$ (11,483)	$ (26,479)	$ 1,999
Add:				
Amortization expense	13	17	545	142
Depreciation expense	1,415	88	3,563	176
Interest expense	1,728	3,507	6,300	9,014
Accretion of the secured and unsecured debentures	2,824	2,466	8,185	5,528
Income tax expense - current	-	-	-	5
Income tax (recovery) expense - deferred	1,990	848	(1,453)	7,713
EBITDA	$ (2,731)	$ (4,557)	$ (9,339)	$ 24,577
Loss (gain) on debt extinguishment	724	-	3,535	(37,451)
Fair value adjustments to stock compensation expens	-	-	-	883
Adjusted EBITDA	$ (2,007)	$ (4,557)	$ (5,804)	$ (11,991)

(I) GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were $2,007 and $5,804 for the three and nine months ended September 30, 2012, compared to $3,647 and $9,888 for 2011. The break-down of general and administrative expenses is as follows:

	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
Salaries and benefits	$ 1,299	$ 1,473	$ 3,596	$ 4,974
Stock-based compensation expense	217	598	960	1,910
Audit, accounting and tax	185	953	760	1,774
Other costs, net	306	623	488	1,230
General and administrative expenses	$ 2,007	$ 3,647	$ 5,804	$ 9,888

The decrease in salaries and benefits relates to a decrease in headcount at head office, and adjustments to certain accrued costs. The favourable year over year variance in audit and accounting relates to the one-time costs incurred in 2011 for the IFRS implementation. In other costs, lower travel and insurance costs have contributed to the favourable variance for the quarter and year to date 2012.

(II) INTEREST EXPENSE

Cash interest expense was $1,728 and $6,300 for the three and nine months ended September 30, 2012 compared to $3,507 and $9,014 for the prior year. Interest expense relates to the senior credit facility, and the Secured and Unsecured Debentures. On March 23, 2011 debentures holders approved a plan to exchange the accrued and unpaid interest with three year Unsecured Debentures. Cash interest costs decreased due to lower interest rate on the senior credit facility and lower debt balances.

(III) GAIN/LOSS ON DEBT EXTINGUISHMENT

On March 9, 2012 Tuckamore completed an assignment (the "Assignment") to Bank of Montreal ("BMO") of its senior credit facility from Marret. In connection with the Assignment, BMO received an assignment of all of the rights and obligations of the Marret Lenders under the Senior Credit Facility. Tuckamore also entered into a third amended and restated credit agreement, providing improved borrowing terms to the Tuckamore group of companies (the "Amended Senior Credit Facility") and appointing BMO as agent.

For accounting purposes, the assignment of the senior credit facility was considered an extinguishment of debt. A loss on extinguishment of debt of $3,535 was recorded representing transaction costs and the write-off of deferred financing costs from the extinguished credit facility.

The refinancing of Tuckamore's convertible debentures, subordinated revolving credit facility and interest owing thereon in 2011 resulted in the issue of new Secured and Unsecured debentures. The new debentures were recorded at their estimated fair value at the date of issue, which was 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 subordinated revolving credit facility and related interest, less all transaction costs, were recorded in the income statement as a gain on debt extinguishment of $37,451.

(V) TRANSACTION COSTS

In 2011 for three and nine months ended September 30, 2011 $910 and $2,103 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:

Nine months ended September 30		2012		2011
Cash used in operating activities	$	(12,317)	$	(19,405)
Cash provided by investing activities		4,116		3,133
Cash (used in) provided by financing activities		(6,996)		1,397
Consolidated cash (continuing and discontinued operations)	$	13,428	$	12,864

CASH FROM 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		2012		2011
Cash provided by operations	$	10,467	$	10,844
Changes in non-cash balances				
Accounts receivable		(33,656)		(38,330)
Inventories		9,038		(3,812)
Other current assets		(1,401)		1,739
Accounts payable, accrued liabilities and deferred revenue		3,129		6,741
Decrease in cash due to changes in non-cash balances		(22,890)		(33,662)
Cash and distributions provided by discontinued operations		106		3,413
Cash used in operating activities	$	(12,317)	$	(19,405)

CASH FROM INVESTING ACTIVITIES

Cash provided by investing activities totalled $4,116 compared to $3,133 cash used in investing activities in the prior year period. See table below for further details.

Nine months ended September 30		2012		2011
Acquisition of businesses, net of cash acquired				
Quantum Murray, Golosky Energy Services and Morrison Williams		-		(31,865)
		-		(31,865)
Purchase of property, plant and equipment, net of disposals		(3,008)		(1,633)
Net proceeds on disposal of properly, plant & equipment		321		733
Purchase of software		(29)		(763)
Proceeds on disposal of investment		7,866		38,730
Increase in other assets		(1,027)		(2,000)
Cash used in discontinued operations		(7)		(69)
Cash provided by investing activities	$	4,116	$	3,133

CASH USED IN FINANCING ACTIVITIES

Cash used in financing activities was $6,996 during the nine months ended September 30, 2012 and cash provided by financing activities was $1,397 in the prior year period.

Nine months ended September 30		2012		2011
Increase of long-term debt	$	-	$	11,016
Repayment of long-term debt		(6,200)		-
Decrease (increase) in cash held in trust		4,047		(4,372)
Repayment of capital lease obligations		(4,458)		(3,978)
Cash used in discontinued operations		(385)		(1,269)
Cash (used in) provided by financing activities	$	(6,996)	$	1,397

FINANCING

a) Senior credit facility

As at December 31, 2011 senior debt was $96,955 before deferred financing charges of $1,250.

On January 24, 2012 the sale of Waydex Services LP closed for net proceeds of $2,400 which was used to repay senior indebtedness.

On March 9, 2012 Tuckamore completed an assignment (the "Assignment") to Bank of Montreal ("BMO") of its senior credit facility from Marret. In connection with the Assignment, BMO received an assignment of all of the rights and obligations of the Marret Lenders under the Senior Credit Facility. Tuckamore also entered into a third amended and restated credit agreement, providing improved borrowing terms to the Tuckamore group of companies (the "Amended Senior Credit Facility") and appointing BMO as agent.

On June 29, 2012 the sale of Armstrong Partnership closed for net proceeds of $3,800 which was used to repay senior indebtedness.

Advances outstanding under the Amended Senior Credit Facility at September 30, 2012 total $90,755 with $50,000 of this amount as a revolving facility and the balance as a term facility. The Amended Senior Credit Facility provides, amongst other things, standard financial covenants for a facility of this size and type. It has a term of three years and an initial interest rate of prime plus 1.5%, where the rate can be reduced when certain leverage ratios are achieved. Repayments of the Amended Senior Credit Facility prior to maturity will be from proceeds of asset sales, and from excess cash flow from operations.

For accounting purposes, the assignment of the senior credit facility was considered an extinguishment of debt. A loss on extinguishment of debt of $3,535 was recorded representing transaction costs and the write-off of deferred financing costs relating to the extinguished credit facility.

Subsequent to quarter end Tuckamore reached an agreement with BMO to amend the financial covenants related to the Amended Senior Credit facility. Tuckamore is in compliance with all covenants.

b) Secured and Unsecured debentures

On February 28, 2011, Tuckamore issued a management information circular to debenture holders which provided details of the proposed exchange of the existing convertible debentures ("the Exchange"). Under the proposed Exchange, the existing Debentures were to be mandatorily exchanged for second lien notes (the "Secured Debentures") and the unpaid accrued interest on the Debentures were to be exchanged for Unsecured subordinated notes (the "Unsecured Debentures"). On March 18, 2011, the serial meetings of the debenture holders were held and at each meeting the debenture holders voted in favour of the Exchange transaction. As a result, 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 satisfied the principal amount of the Debentures and principal amount and interest outstanding on the Subordinated Revolving Credit Facility 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. Tuckamore has the option to repurchase any or all Secured Debentures outstanding at any time and Tuckamore also 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, assuming Tuckamore has cash available and subject to any restrictions in the senior credit facility. 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. 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 Senior Credit Facility or certain debt incurred in the future by Tuckamore's subsidiaries. The Secured Debentures were listed on the Toronto Stock Exchange ("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 will accrue 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 Debenture Maturity Date either in cash or by delivering common shares of Tuckamore 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 fully diluted common shares of Tuckamore on the repayment date. The Unsecured Debentures were listed on the TSX on the closing date of March 23, 2011. In the event of a change of control, Tuckamore's ability to settle the obligation through the issuance of shares will not be available.

		Secured Debentures		Unsecured Debentures
Issue date		March 23, 2011		March 23, 2011
Principal Amount	$	176,228	$	26,552
Interest Rate		8.0%		3.624%
Carrying value at September 30, 2012	$	151,197	$	17,517
Accretion expense recorded in 2012	$	4,883	$	3,302
Accretion expense still to be recorded prior to maturity	$	25,031	$	9,035
Maturity Date		March 23, 2016		March 23, 2014

For accounting purposes, the Exchange transactions have been accounted for as extinguishments of the Debentures, the Subordinated Revolving Credit Facility and the related accrued interest payable. The Secured Debentures and Unsecured Debentures were initially recorded at their estimated fair value of $141,545 and $11,406, respectively. All costs incurred in connection with the issuance of the Secured and Unsecured Debentures were expensed resulting in a net gain on extinguishment of $37,451. The Secured Debentures and Unsecured Debentures will be accreted up to their principal amount over the period to the respective Maturity Dates using the effective interest method.

WORKING CAPITAL

	September 30, 2012	December 31, 2011
Current assets	$ 233,908	$ 233,617
Current liabilities	105,789	115,972
Working capital - excluding discontinued operations	128,119	117,645
Working capital - discontinued operations	-	2,866
Total working capital	$ 128,119	$ 120,511

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.

Nine months ended September 30, 2012		Marketing		ClearStream		Quantum Murray		Other		Total
Capital expenditures	$	170	$	2,031	$	761	$	46	$	3,008
Capital lease repayments		124		2,232		1,837		265		4,458
	$	294	$	4,263	$	2,598	$	311	$	7,466

Nine months ended September 30, 2011		Marketing		ClearStream		Quantum Murray		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	$	5,611

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 consolidated financial statements are described in note 1 in the December 31, 2011 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 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 cash-generating units or groups of cash-generating 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 $76,667 at September 30, 2012 (December 31, 2011 - $76,667).

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 $70,734 at September 30, 2012 (December 31, 2011 - $78,928).

Deferred Taxes

Tuckamore has computed deferred income taxes based on temporary differences that are expected to reverse after September 30, 2012. 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 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, 2012 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 25.5%.

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

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 consolidated financial statements. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. All other new standards are effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

The following is a brief summary of the new standards:

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

In November 2009, the IASB 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, 2015. 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)

	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4
	IFRS							Canadian GAAP
Revenues	$189,536	$ 191,682	$172,975	$180,677	$158,202	$145,060	$136,234	$ 109,690
Net income (loss) from continuing operations	(5,054)	(5,569)	(8,401)	(5,287)	4,312	(2,861)	21,027	61,526
Net income (loss)	(5,054)	(3,613)	(8,395)	(8,589)	17,733	(74)	20,772	38,801
Income (loss) per unit from continuing operations	(0.07)	(0.08)	(0.12)	(0.07)	0.06	(0.04)	0.29	0.86
Income (loss) per unit	(0.07)	(0.05)	(0.12)	(0.12)	0.25	(0.01)	0.29	0.54

CONTINGENCIES

LAWSUITS

Tuckamore and its Operating Partnerships are subject to claims and litigation proceedings arising in the normal course of operations. These contingencies are provided for when they are likely to occur and can be reasonably estimated. Management believes that the ultimate resolution of these matters will not have a material effect on Tuckamore’s consolidated financial statements.

A statement of claim has been filed by a former employee of Tuckamore alleging breach of contract, wrongful dismissal, defamation, and intentional interference with economic relations. The claim is for an amount of $6,500. The claim is being defended and management is of the opinion that the claim is without merit.

A statement of claim has been filed by a seller of a minority position in a subsidiary of Tuckamore in connection with the calculation of income as related to a promissory note forming part of the transaction. The claim is being defended and management is of the opinion that the claim is without merit.

TRANSACTIONS WITH RELATED PARTIES

OWNERSHIP

As of September 30, 2012 directors, officers and employees, and operating partners related to Tuckamore beneficially hold an aggregate of 18,599,812 units or 21.7% 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 $1,378 (December 31, 2011 – $1,520) made to the Operating Partnerships.

Selling, general and administrative expenses includes $167 and $535 of rent expense paid to a company owned by the minority shareholder of Gusgo for three and nine months ended September 30, 2012 and $169 and $449 for three and nine months ended September 30, 2011.

Loans made to current and former employees of Tuckamore were outstanding in the amount of $1,335 at September 30, 2012 and $1,512 at December 31, 2011. 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.

FOURTH QUARTER OUTLOOK

The fourth quarter operations outlook remains optimistic. ClearStream is expected to continue the trend of increased business activity due to the stimulated oil and gas industry. All divisions within ClearStream are anticipating a busy fourth quarter. The Conventional Industrial Services division is expecting increased volumes with the start-up of a new significant contract. The Oil Sands division will benefit from a scheduled turnaround in the final quarter of the year. The Transportation division is expecting continued strong volumes. The Wear Technology division has had recent contract wins which will improve results in the next quarter.

At Quantum Murray there will be a continued focus on cost management and profitable completion of current projects at the Demolition division. The Environmental division has a healthy backlog which should translate into solid results in the upcoming quarter. There is uncertainty for the next quarter at the Metal division due to unstable scrap prices.

At Gemma, although performance and quality remain consistent and above targets, several clients' volume forecasts have been reduced due to either strategy changes or regulatory demands. There is a focus on new business development to diversify and expand Gemma's customer base.

IC Group is anticipating a solid fourth quarter with comparable results to the prior two quarters with some upside potential as a few large existing clients are expanding their loyalty programs to different regions and accessing additional product lines.

In the other segment, both Titan and Gusgo are expecting a solid final quarter of the year. At Titan, the fourth quarter is seasonally busy as demand for tire chains and snow removal product increases. As well activity in the oil sands maintenance and construction for the remainder of 2012 is expected to continue at its present pace.

Gusgo is expecting comparable results to the prior three quarters with a stable customer base with consistent business volumes.

The funding of working capital to support ClearStream's growth continues to be a challenge for Tuckamore. Management of cash resources continues to consume considerable management time.

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, 2012 for the year ended December 31, 2011.

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, 2011 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 filings for the quarter ended September 30, 2012 with securities regulators, including this MD&A and the accompanying audited 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 year end that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

There have been no changes in internal controls over financial reporting during the quarter ended September 30, 2012 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;

"BMO" – means Bank of Montreal;

"CEO" – means Chief Executive Officer;

"CFO" – means Chief Financial Officer;

"CICA" – means Canadian Institute of Chartered Accountants;

"ClearStream" – means ClearStream Energy Services (formerly known as "NPC Integrity Energy Services Limited Partnership"), a limited partnership formed under the laws of Alberta;

"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;

"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

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

"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;

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

"TSX" – means Toronto Stock Exchange

"Tuckamore" – means Tuckamore Capital Management Inc.