TUCKAMORE CAPITAL MANAGEMENT INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTER ENDED JUNE 30, 2012

Dear Shareholders:

Our second quarter has been impacted by poor results within one of our larger investments.

At Quantum Murray we were disappointed in the performance of our demolition division. In particular, the completion of work on a number of large industrial and commercial demolition projects has taken longer than anticipated with resultant additional costs eroding gross margins. Estimates of scrap metal revenue on one industrial project were not achieved, and the shortfall has impacted project profitability. We continue to review both our options for this division, as well as our processes around tendering, estimating and project management to ensure any future cost overruns are minimized.

Results elsewhere in the portfolio were largely at or above expectations. Performance at the remediation and metals divisions of Quantum Murray was satisfactory and in particular the outlook for our environmental businesses is positive. We were pleased with the results at ClearStream, our largest investment. Activity in all divisions is brisk resulting from strong demand in both the conventional oil and oil sands sectors. A significant challenge for all in Alberta continues to be attracting and retaining the personnel resources to satisfy the demand**,** however we believe that our systems for attracting and retaining employees are best-in-class and leave us well positioned to meet this challenge.

Titan, Gusgo and IC Group all had a solid quarter with increased business activity compared to the prior year. Gemma had a challenging quarter as key clients' revenue levels continue to fluctuate in this uncertain economic climate.

We continue to have a positive business outlook for ClearStream. There is a strong business pipeline for the balance of the year, and projected global capital investment in the oil sands should provide additional short and long term opportunities for ClearStream. We are sensitive to the fact that ClearStream is well positioned for value enhancement but recognize that our primary challenge at ClearStream is properly and efficiently funding its growth. Our debt agreements are restrictive and disallow additional borrowings, and consequently cash management and funding solutions consume a disproportionate amount of management's time, and for which success is far from guaranteed.

During the second quarter we did benefit from a full quarter of lower interest costs due to the refinancing of our senior debt in March of this year. Our longer term strategy continues to be reduction of debt and to further reduce the cost of our debt, and to sharpen the focus within our investment portfolio. During the quarter we completed the sale of our investment in Armstrong, one of our marketing businesses, and the net proceeds were used to pay down senior debt.

Thank you for your continued support.

Dean T. MacDonald

President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 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 six months ended June 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 August 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 27, 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 "Third 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 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 (formerly Newport Inc.,) 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%

SECOND QUARTER PERFORMANCE

SUMMARY RESULTS FROM CONTINUING OPERATIONS ($000s)

	Three months ended June 30		Six months ended June 30	
	2012	2011	2012	2011
Revenues	$ 191,682	$ 145,060	$ 364,657	$ 281,294
Cost of revenues	(157,507)	(113,416)	(296,794)	(221,628)
Gross profit	34,175	31,644	67,863	59,666
Selling, general and administrative expenses	(26,456)	(22,677)	(53,741)	(46,290)
Amortization expense	(2,296)	(3,239)	(4,960)	(6,810)
Depreciation expense	(3,836)	(3,375)	(7,008)	(7,297)
Income from equity investments	-	-	-	372
Interest expense	(7,576)	(7,445)	(16,145)	(14,558)
(Loss) gain on debt extinguishment	-	-	(2,812)	37,451
Fair value adjustment on stock based compensation expense	-	-	-	(883)
Transaction costs	-	(205)	-	(1,383)
Income tax expense - current	(11)	(5)	(11)	(8)
Income tax recovery (expense) - deferred	431	2,441	2,835	(2,094)
(Loss) Income from continuing operations	$ (5,569)	$ (2,861)	$ (13,979)	$ 18,166
Add:				
Amortization	2,296	3,239	4,960	6,810
Depreciation	3,836	3,375	7,008	7,297
Interest expense	7,576	7,445	16,145	14,558
Income tax expense - current	11	5	11	8
Income tax (recovery) expense - deferred	(431)	(2,441)	(2,835)	2,094
EBITDA	$ 7,719	$ 8,762	$ 11,310	$ 48,933
Loss (gain) on debt extinuishment	-	-	2,812	(37,451)
Fair value adjustment on stock based compensation expense	-	-	-	883
Adjusted EBITDA	$ 7,719	$ 8,762	$ 14,122	$ 12,365

Selected Balance Sheet Accounts	June 30, 2012	December 31, 2011
Total assets	$ 421,161	$ 452,852
Senior credit facility	80,755	95,705
Secured debentures	149,551	146,314
Unsecured debentures	16,338	14,215
Shareholders' equity	64,669	75,937

SECOND QUARTER AND SIX 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 six months ended June 30, 2012 were $191,682 and $364,657 compared to $145,060 and $281,294 in 2011, an increase of 32.1% and 29.6%. The increase was largely driven by the Industrial Services segment. The largest contributor to this increase was ClearStream where the Fabrication and Conventional Industrial divisions are benefitting from substantial increases in activity compared to the prior year. The Oil sands and Transportation divisions also had improved volumes compared to the same quarter in 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 six months ended June 20, 2012.

Gross profit for the three and six months ended June 30, 2012 was $34,175 and $67,863 compared to $31,644 and $59,666 in the prior year quarter, an increase of 8.0% and 13.7%. The increase reflects the increased revenue at ClearStream. Gross margins were 17.8% and 18.6% for the three and six months ended June 30, 2012 compared to 21.8% and 21.2% in the prior year. The margin percentage decline was primarily at Quantum Murray due to margin erosion on a number of large projects in the Demolition division.

For the three and six months ended June 30, 2012, these three operating segments produced $9,298 and $17,927 of EBITDA for Tuckamore compared to $11,729 and $19,989 in prior year. Refer to the chart on the following page for EBITDA by operating partner. Armstrong Partnership was sold in June 2012 and therefore is classified as a discontinued operation.

Corporate costs for three and six months ended June 30, 2012 were $1,579 and $3,805 compared to $2,967 and $7,624 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 June 30, 2012.

Non-cash items that impacted the results were depreciation and amortization, deferred income taxes and gain/loss on debt extinguishment. Depreciation and amortization was $6,132 and $11,968 for three and six months ended June 30, 2012, compared to $6,614 and $14,107 for the prior year.

The refinancing of the senior debt facility in March 2012 was treated as an extinguishment of debt for accounting purposes. This resulted in a $2,812 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 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 months ended June 30, 2012 interest costs were $7,576, compared with $7,445 in the prior period. For six months ended June 30, 2012 interest expense was $16,145, compared with $14,558 for the prior year period. Non-cash interest expense was $2,726 and $5,361 for three and six months ended June 30, 2012, compared to $3,262 and $7,445 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. During the three and six months ended June 30, 2012, the operating segments had capital expenditures and capital lease payments of $3,087 and $5,910, compared to $1,346 and $3,499 in the same periods in 2011. The majority of these expenditures were incurred in the Industrial Services segment.

Net loss for the three and six months ended June 30, 2012 from continuing operations was $5,569 and $13,979 compared to a net (loss) income of $(2,861) and $18,166 for the three and six months ended June 30, 2011.

EBITDA		**Q2 2012**		**Q2 2011**		**2012 vs. 2011**
Marketing						
Gemma		289		567		(278)
IC Group		329		286		43
	$	618	$	853	$	(235)
Industrial Services						
ClearStream		10,843		7,824		3,019
Quantum Murray		(3,353)		2,055		(5,408)
	$	7,490	$	9,879	$	(2,389)
Other						
Gusgo		606		500		106
Titan		584		497		87
Rlogistics		-		-		-
	$	1,190	$	997	$	193
EBITDA from portfolio operations	$	9,298	$	11,729	$	(2,431)
Corporate		(1,579)		(2,967)		1,388
EBITDA from operations	$	7,719	$	8,762	$	(1,043)

INDUSTRIAL SERVICES

The Industrial Services had a mixed quarter with ClearStream achieving strong results whereas Quantum Murray had a disappointing quarter.

At ClearStream, the Conventional Industrial Services division benefited from increased activity levels across all regions. The Fabrication division also had a busy quarter as work continues to be performed on large module contracts. The Oil sands and Transportation divisions had increased volumes compared to the prior year as activity in the region continues to ramp up. The Wear division had lower revenues in the quarter due to the delay in overlay pipe orders from a significant client.

Quantum Murray had a disappointing quarter recording an EBITDA loss. Project cost overruns and revenue shortfalls at the Demolition division have caused the poor results. The Environmental division results were slightly lower than last year when several large remediation projects were underway. At the Metals division, there were increased volumes, however lower scrap prices offset these gains resulting in a comparable quarter to the prior year.

MARKETING

The Marketing segment had mixed results in the quarter. Gemma had a challenging quarter with revenues decreased in comparison to the same quarter in prior year due to reduction in outbound telesales with a few key clients and the elimination of higher margin programs. IC Group had improved results compared to the prior year due to increased sales to existing customers and improved margins due to operational efficiencies.

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 lower storage costs.

For Titan, economic activity in the general construction industry and oil sands development has remained strong compared to last year. Sales of higher margin products contributed to the year over year gain in EBITDA.

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 June 30		Six months ended June 30	
	2012	2011	2012	2011
Revenues	$ 8,897	$ 10,002	$ 18,743	$ 19,561
Cost of revenues	(5,858)	(6,618)	(12,262)	(12,859)
Gross profit	3,039	3,384	6,481	6,702
Selling, general and administrative expenses	(2,421)	(2,531)	(5,063)	(5,228)
Amortization expense	(782)	111	(1,565)	(1,244)
Depreciation expense	(163)	(168)	(334)	(326)
Interest expense	(10)	(39)	(23)	(68)
Income tax (expense) recovery - current	(11)	-	(11)	-
Income tax recovery (expense) - deferred	123	67	(379)	433
Income (loss) for the period	$ (225)	$ 824	$ (894)	$ 269
Add:				
Amortization expense	782	(111)	1,565	1,244
Depreciation expense	163	168	334	326
Interest expense	10	39	23	68
Income tax expense (recovery) - current	11	-	11	-
Income tax (recovery) expense - deferred	(123)	(67)	379	(433)
EBITDA	$ 618	$ 853	$ 1,418	$ 1,474

(I) REVENUES

Revenues for the Marketing segment were $8,897 and $18,743 for three and six months ended June 30, 2012, an 11.0% and 4.2% decrease over 2011 revenues of $10,002 and $19,561. The decrease was primarily at Gemma where there was been a reduction in outbound telesales volumes with a few of Gemma's key clients. Two significant clients have been adjusting their marketing budgets which has caused volatility in business volumes for Gemma. IC Group has increased revenue from additional programs from existing clients.

(II) GROSS PROFIT

Gross profit for the Marketing segment was $3,039 and $6,481, and gross margin percentage was 34.2% and 34.6% for the three and six months ended June 30, 2012. For the comparative period ended June 30, 2011, gross profit was $3,384 and $6,702, and the gross profit margins were 33.8% and 34.3%. 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 gross profit improvements at the IC Group resulting from a reduction in the use of external contractors and an increase in the efficiency of services provided to a key client.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the three and six months ended June 30, 2012 were $2,421 and $5,063 compared to $2,531 and $5,228 in 2011. These expenses as a percentage of revenues were 27.2% and 27.0% in 2012 compared to 25.3% and 26.7% in 2011. The increase in selling, general and administrative expenses is primarily at IC Group, where there has been higher advertising and promotional costs resulting from targeted calling campaigns.

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 June 30		Six months ended June 30	
	2012	2011	2012	2011
Revenues	$ 171,311	$ 124,653	$ 321,616	$ 239,129
Cost of revenues	(144,017)	(99,846)	(268,388)	(193,483)
Gross profit	27,294	24,807	53,228	45,646
Selling, general and administrative expenses	(19,804)	(14,928)	(39,541)	(29,824)
Amortization expense	(1,498)	(3,002)	(3,197)	(4,779)
Depreciation expense	(1,893)	(3,009)	(4,259)	(6,657)
Interest expense	(2,992)	(2,986)	(5,827)	(5,590)
Income tax recovery - current	-	-	-	(3)
Income tax recovery - deferred	411	1,650	58	4,022
Income (loss) for the period	$ 1,518	$ 2,532	$ 462	$ 2,815
Add:				
Amortization	1,498	3,002	3,197	4,779
Depreciation	1,893	3,009	4,259	6,657
Interest expense	2,992	2,986	5,827	5,590
Income tax recpvery - current	-	-	-	3
Income tax recovery - deferred	(411)	(1,650)	(58)	(4,022)
EBITDA	$ 7,490	$ 9,879	$ 13,687	$ 15,822

	Three months ended June 30				Six months ended June 30			
	ClearStream		Quantum Murray		ClearStream		Quantum Murray	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues	$138,834	$ 94,507	$ 32,477	$ 30,146	$ 241,851	$ 177,536	$ 79,765	$61,593
Cost of revenues	(115,699)	(76,533)	(28,318)	(23,313)	(201,915)	(145,358)	(66,473)	(48,125)
Gross profit	23,135	17,974	4,159	6,833	39,936	32,178	13,292	13,468
Selling, general and administrative expenses	(12,292)	(10,150)	(7,512)	(4,778)	(23,782)	(19,989)	(15,759)	(9,835)
Amortization expense	(1,042)	(2,220)	(456)	(782)	(2,451)	(3,215)	(746)	(1,564)
Depreciation expense	(1,443)	(2,764)	(450)	(245)	(3,053)	(5,544)	(1,206)	(1,113)
Interest expense	(2,923)	(2,898)	(69)	(88)	(5,689)	(5,407)	(138)	(183)
Income tax recovery - current	-	-	-	-	-	(3)	-	-
Income tax (expense) recovery - deferred	(362)	1,737	773	(87)	(695)	3,418	753	604
Income (loss) for the period	$ 5,073	$ 1,679	$ (3,555)	$ 853	$ 4,266	$ 1,438	$ (3,804)	$ 1,377
Add:								
Amortization expense	1,042	2,220	456	782	2,451	3,215	746	1,564
Depreciation expense	1,443	2,764	450	245	3,053	5,544	1,206	1,113
Interest expense	2,923	2,898	69	88	5,689	5,407	138	183
Income tax expense - current	-	-	-	-	-	3	-	-
Income tax expense (recovery) - deferred	362	(1,737)	(773)	87	695	(3,418)	(753)	(604)
EBITDA	$ 10,843	$ 7,824	$ (3,353)	$ 2,055	$ 16,154	$ 12,189	$ (2,467)	$ 3,633

(I) REVENUES

Revenues from the Industrial Services segment were $171,311 and $321,616 for the three and six months ended June 30, 2012 compared with $124,653 and $239,129 in the prior year period, which reflects an increase of 37.4% and 34.5%.

Revenues at ClearStream increased $44,327 or 46.9% compared to the prior year quarter. The Conventional Industrial Services division and the Fabrication division both had material favorable variances due to strong demand from existing clients as well as additional revenue from new clients across all regions. The Transportation and Oil sands divisions also had significantly increased volumes due to the increased activity in the oil sands region.

At Quantum Murray revenues were favorable in the quarter due to the increase in ownership in the third quarter of 2011. From an operational standpoint, revenues were down at the Environmental and Demolition divisions. The Environmental division had a busy quarter however not to the same extent as the same quarter in the prior year when several large projects were underway. The Demolition division had a disappointing quarter due to fewer large industrial demolition projects in Q2 2012 compared to Q2 2011. The Metals division had slightly improved revenues due to the increased scrap volumes.

(II) GROSS PROFIT

Gross profit was $27,294 and $53,228 for the three and six months ended June 30, 2012 compared with $24,807 and $45,646 in 2011. Gross profit margins were 15.9% and 16.6% compared to 19.9% and 19.1% in 2011.

Gross profit at ClearStream increased from the prior year quarter due to the increase in revenue levels; however the gross margin percentage decreased from 19.0% to 16.7%. The decline reflects competitive pressures on pricing project work and increased labour costs.

Quantum Murray's Demolition division had a significant decline in gross profit as a result of cost overruns and revenue shortfalls on a few large demolition projects. The Environmental division had improved margins however lower revenues have offset the improvements to project margins. The Metals division had lower margins due to lower scrap prices.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $19,804 and $39,541 for the three and six months ended June 30, 2012 compared to $14,928 and $29,824 in the prior year period. Selling, general and administrative expenses as a percentage of revenues were 11.6% and 12.3% for the three and six months ended June 30, 2012, a marginal decrease over the 12.0% and 12.5% reported for the prior year quarter.

(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 and Titan. This segment also includes income from Tuckamore's equity investment in Rlogistics.

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 June 30		Six months ended June 30	
	2012	2011	2012	2011
Revenues	$ 11,474	$ 10,405	$ 24,298	$ 22,604
Cost of revenues	(7,632)	(6,952)	(16,144)	(15,286)
Gross profit	$ 3,842	$ 3,453	$ 8,154	$ 7,318
Selling, general and administrative expenses	(2,652)	(2,456)	(5,332)	(4,997)
Amortization expense	-	(329)	-	(662)
Depreciation expense	(139)	(110)	(265)	(226)
Income from equity investments	-	-	-	372
Interest expense	(180)	(169)	(362)	(331)
Income tax (recovery) expense - deferred	(297)	(33)	(288)	316
Income for the period	$ 574	$ 356	$ 1,907	$ 1,790
Add:				
Amortization expense	-	329	-	662
Depreciation expense	139	110	265	226
Interest expense	180	169	362	331
Income tax recovery (expense) - deferred	297	33	288	(316)
EBITDA	$ 1,190	$ 997	$ 2,822	$ 2,693

(I) REVENUES

Revenues for the other segment were $11,474 and $24,298 for the three and six months ended June 30, 2012, compared to $10,405 and $22,604 in the prior year quarter, which reflects an increase of 10.3% and 7.5%. Both Titan and Gusgo saw an increase in revenues year over year.

Titan's construction products sales were up from the prior year as business activity in the general construction industry and oil sands development remained strong in Alberta. Titan also increased its market share for rigging products.

Gusgo had increased volumes from a key client and additional business from a new significant client.

(II) GROSS PROFIT

Gross profit was $3,842 and $8,154 for the three and six months ended June 30, 2012, compared with $3,453 and $7,318 for 2011. Gross profit margins were 33.5% and 33.6% the three and six months ended June 30, 2012 and 33.2% and 32.4% 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 comparable 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 $2,652 and $5,332 for the three and six months ended June 30, 2012, compared with $2,456 and $4,997 for 2011. These expenses as a percentage of revenues were 23.1% and 21.9% for three and six months ended June 30, 2012 and 23.6% and 22.1% 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 six months ended June 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 June 30		Six months ended June 30	
	2012	2011	2012	2011
General and administrative expenses	$ (1,579)	$ (2,762)	$ (3,805)	$ (6,241)
Amortization expense	(16)	(19)	(198)	(125)
Depreciation expense	(1,641)	(88)	(2,150)	(88)
Interest expense	(4,394)	(4,251)	(9,933)	(8,569)
(Loss) gain on debt extinguishment	-	-	(2,812)	37,451
Fair value adjustment to stock compensation expense	-	-	-	(883)
Transaction costs	-	(205)	-	(1,383)
Income tax expense - current	-	(5)	-	(5)
Income tax recovery (expense) - deferred	194	757	3,444	(6,865)
(Loss) income for the period	$ (7,436)	$ (6,573)	$ (15,454)	$ 13,292
Add:				
Amortization expense	16	19	198	125
Depreciation expense	1,641	88	2,150	88
Interest expense	4,394	4,251	9,933	8,569
Income tax expense - current	-	5	-	5
Income tax (recovery) expense - deferred	(194)	(757)	(3,444)	6,865
EBITDA	$ (1,579)	$ (2,967)	$ (6,617)	$ 28,944
Loss (gain) on debt extinguishment	-	-	2,812	(37,451)
Fair value adjustments to stock compensation expense	-	-	-	883
Adjusted EBITDA	$ (1,579)	$ (2,967)	$ (3,805)	$ (7,624)

(I) GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were $1,579 and $3,805 for the three and six months ended June 30, 2012, compared to $2,762 and $6,241 for 2011. The break-down of general and administrative expenses is as follows:

	Three months ended June 30		Six months ended June 30	
	2012	2011	2012	2011
Salaries and Benefits	$ 961	$ 1,506	$ 2,297	$ 3,501
Stock-based compensation expense	215	526	743	1,311
Audit, accounting and tax	406	385	576	821
Other costs, net	(3)	345	189	608
General and administrative expenses	$ 1,579	$ 2,762	$ 3,805	$ 6,241

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, insurance and agency fees have contributed to the favourable variance for the quarter and year to date 2012.

(II) INTEREST EXPENSE

Interest expense was $4,394 and $9,933 for the three and six months ended June 30, 2012 compared to $4,251 and $8,569 for the prior year. Interest expense relates to the senior credit facility, the revolving line of credit and the Secured and Unsecured Debentures. On March 23, 2011 debentures holders approved a plan to exchange the accrued and unpaid interest with 3 year Unsecured Debentures. The increase in interest reflects the non-cash accretion expense relating to the accretion of the debentures from initial fair value to the principal amount. Cash interest costs decreased due to lower interest rate on the senior credit facility.

(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 $2,812 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 six months ended June 30, 2011 $205 and $1,383 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		2012		2011
Cash used in operating activities	$	(12,117)	$	(29,537)
Cash provided by (used in) investing activities		4,169		(14,838)
Cash (used in) provided by financing activities		(17,513)		24,910
Consolidated cash (continuing and discontinued operations)	$	3,164	$	8,274

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.

Six months ended June 30		2012		2011
Cash provided by operations	$	4,070	$	2,673
Changes in non-cash balances				
Accounts receivable		(12,829)		(27,661)
Inventories		6,912		(1,143)
Other current assets		373		(4,408)
Accounts payable, accrued liabilities and deferred revenue		(10,749)		159
Decrease in cash due to changes in non-cash balances		(16,293)		(33,053)
Cash and distributions provided by discontinued operations		106		843
Cash used in operating activities	$	(12,117)	$	(29,537)

CASH FROM INVESTING ACTIVITIES

Cash provided by investing activities totalled $4,169 compared to $14,838 cash used in investing activities in the prior year period. See table below for further details.

Six months ended June 30		2012		2011
Acquisition of businesses, net of cash acquired				
Golosky Energy Services and Morrison Williams		-		(14,547)
		-		(14,547)
Purchase of property, plant and equipment, net of disposals		(2,950)		(671)
Net proceeds on disposal of properly, plant & equipment		141		523
Purchase of software		(21)		(710)
Proceeds on disposal of investment		7,557		-
Increase in other assets		(551)		-
Cash (used in) provided discontinued operations		(7)		567
Cash provided by (used in) investing activities	$	4,169	$	(14,838)

CASH USED IN FINANCING ACTIVITIES

Cash used in financing activities was $17,513 during the six months ended June 30, 2012 and cash provided by financing activities was $24,910 in the prior year period.

Six months ended June 30		2012		2011
Increase of long-term debt	$	-	$	29,766
Repayment of long-term debt		(6,200)		-
Repayment of revolving credit facility		(10,000)		-
Increase (decrease) in cash held in trust		2,032		(1,011)
Repayment of capital lease obligations		(2,960)		(2,828)
Cash used in discontinued operations		(385)		(1,017)
Cash (used in) provided by financing activities	$	(17,513)	$	24,910

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 June 30, 2012 total $80,755 with $50,000 of this amount as a revolving facility and the balance as a term facility. As at June 30, 2012 $10,000 of the revolving facility has been temporarily paid down. 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 $2,812 was recorded representing transaction costs and the write-off of deferred financing costs relating to the extinguished credit facility.

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 June 30, 2012	$	149,551	$	16,338
Accretion expense recorded in 2012	$	3,237	$	2,124
Accretion expense still to be recorded prior to maturity	$	26,677	$	10,214
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. Such accretion amount is categorized as interest expense.

WORKING CAPITAL

	June 30, 2012	December 31, 2011
Current assets - continuing operations	$ 206,023	$ 230,100
Current liabilities - continuing operations	92,667	115,321
Working capital - continuing operations	113,356	114,779
Working capital - discontinued operations	-	2,866
Total working capital	$ 113,356	$ 117,645

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, 2012	Marketing	ClearStream	Quantum Murray	Other	Total
Capital expenditures	$ 76	$ 2,272	$ 564	$ 38	$ 2,950
Capital lease repayments	89	1,350	1,348	173	2,960
	$ 165	$ 3,622	$ 1,912	$ 211	$ 5,910

Six months ended June 30, 2011	Marketing	ClearStream	Quantum Murray	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

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 $77,093 at June 30, 2012 (December 31, 2011 - $77,093).

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 $73,645 at June 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 June 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 June 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 25.3%.

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 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2010 Q3
				IFRS			Canadian GAAP	
Revenues	$ 191,682	$172,975	$180,677	$158,202	$145,060	$136,234	$109,690	$113,220
Net income (loss) from continuing operations	(5,569)	(8,410)	(1,387)	2,415	(2,861)	21,027	61,526	(9,086)
Net income (loss)	(3,613)	(8,398)	(4,689)	15,836	(74)	20,772	38,801	(13,022)
Income (loss) per unit from continuing operations	(0.08)	(0.12)	(0.02)	0.03	(0.04)	0.29	0.86	(0.13)
Income (loss) per unit	(0.05)	(0.12)	(0.07)	0.22	(0.00)	0.28	0.54	(0.18)

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 feels the claim is without merit.

TRANSACTIONS WITH RELATED PARTIES

OWNERSHIP

As of June 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 $1,384 (December 31, 2011 – $1,520) made to the Operating Partnerships.

Selling, general and administrative expenses includes $230 and $460 of rent expense paid to Gusgo for the three and six months ended June 30, 2012 and $418 and $775 includes rent paid to Gusgo and Quantum Murray for three and six months ended June 30, 2011. On September 31, 2011 Tuckamore purchased the remaining 35.7% of Quantum Murray and as such the previous owners are no longer related parties to the Company. These transactions occurred in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to between the parties.

Loans made to current and former employees of Tuckamore were outstanding in the amount of $1,335 at June 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.

THIRD QUARTER OUTLOOK

The overall outlook for the next quarter is optimistic. The third quarter is a seasonally busier quarter and ClearStream is expected to continue the trend of increased business activity due to the stimulated oil and gas industry. The Conventional Industrial Services division is expecting increased volumes as the year progresses with the start-up of a new significant contract and other new business coming on line. The Fabrication division is also expecting a busy third quarter as work continues on several large Module contracts. The Oilsands division has several new opportunities starting in the next quarter which will add to the existing customer base. The transportation division is expecting continued success with capital investment needed to meet the ever growing demand for these services. The Wear technology division had a slow start to the year, however business in the second half of the year is expected to improve as new contracts have been signed and are being executed. The challenge will be to secure skilled labor to complete the work and to ensure sufficient working capital funding to support the growth.

At Quantum Murray there will be a continued focus on project bidding and cost management 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.

Within the marketing segment, the outlook is mixed with results similar to the second quarter expected for the third quarter. At Gemma, the results for the second half of the year are expected to be improved from the first half of the year as successful client development efforts materialize and volumes with existing clients are expected to increase. The IC Group is anticipating further growth, with a focus on stimulating its specialized

insurance business and continued growth with existing clients as they move more lines of their businesses to the IC Group.

In the other segment, both Titan and Gusgo are expecting a solid third quarter. At Titan, the fall buying season is expected to be robust for rigging products, while snow removal inventory carryover may reduce normal revenue levels for this product line. Gusgo is expecting comparable results to the first half of the year.

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 June 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 June 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;

"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.