TUCKAMORE CAPITAL MANAGEMENT INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTER ENDED JUNE 30, 2013

DEAR SHAREHOLDERS

Our operating results in the second quarter of 2013 were improved from a year ago. Strong results at ClearStream were tempered however by continuing softer results at Quantum Murray and Gemma. The remainder of the portfolio performed at levels slightly lower than last year.

ClearStream, our largest investment, reported the best quarter in its history, and the results would have been stronger but for flooding in the Fort McMurray area in June. ClearStream is seeing continued strong demand for its services particularly in its wear and maintenance services divisions. The second quarter tends to be ClearStream's best quarter as major clients perform plant shutdown maintenance programs in the spring. ClearStream's business development activities are focused on business primarily within our operational and maintenance services divisions which generate recurring revenues.

Quantum Murray's results are improved since the first quarter but are still disappointing. The demolition division has been successful with bids and execution on several smaller to medium sized projects. Activity in the pacific remediation division of Quantum Murray has been stronger this quarter but business volumes in the hazmat division have been lower than usual. Quantum Murray is bidding on several larger demolition and remediation projects and success on these bids will determine the speed of the business turnaround.

Gemma, our call centre operation, is being impacted this year by changes in client direction, resulting in reduced hours, as well as by delays in the commencement of some client programs. Gemma is attempting to mitigate this by both careful cost management and alignment, as well as by increasing its business development activities.

We will continue on our strategy of measured organic growth. A significant challenge at Tuckamore is managing the working capital needs of the businesses, in particular at ClearStream and Quantum Murray. These needs can increase significantly in periods of high growth or activity. This remains a critical and time consuming process for management given the restrictive terms in our debt agreements.

Thank you for your continued support.

Dean T. MacDonald

President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 13, 2013

The following is management's discussion and analysis ("MD&A") of the consolidated interim results of operations, balance sheets and cash flows of Tuckamore Capital Management Inc. ("Tuckamore") for the three and six months ended June 30, 2013 and 2012. This MD&A should be read in conjunction with Tuckamore's audited consolidated annual financial statements for the years ended December 31, 2012 and 2011.

All amounts in this MD&A are in Canadian dollars and expressed in '000's of dollars unless otherwise noted. The accompanying unaudited consolidated interim 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 13, 2013 and is current to that date unless otherwise indicated.

The unaudited consolidated interim 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 28, 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 loss on de-recognition of debt, fair value adjustments on stock based compensation expense and the interest, taxes, depreciation and amortization 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 and Adjusted EBITDA as a performance measure for its operating partners and segment results.

Operating Partner by Industry Segment	Business Description	Ownership Interest
Marketing		
Gemma	Integrated direct marketing company	100%
IC Group	Provider of on-line promotional and loyalty programs and select insurance products	80%
Industrial Services		
ClearStream	Provider of oil and gas maintenance, construction and wear technology services to both the conventional oil and gas industry and the oilsands	100%
Quantum Murray	National provider of demolition, remediation and scrap metal services	100%
Other		
Gusgo	Transportation and storage services provider	80%
Rlogistics	Re-seller of 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,	
	2013	2012	2013	2012
Revenues	$ 179,508	$ 176,829	$ 324,873	$ 333,932
Cost of revenues	(142,877)	(147,856)	(260,005)	(276,820)
Gross profit	36,631	28,973	64,868	57,112
Selling, general and administrative expenses	(24,222)	(22,756)	(47,901)	(46,391)
Amortization expense	(2,697)	(2,295)	(5,404)	(4,958)
Depreciation expense	(3,902)	(3,674)	(7,798)	(6,696)
Income from long-term investments	880	1,055	2,445	2,784
Interest expense	(8,400)	(7,577)	(16,576)	(16,126)
Loss on de-recognition of debt	-	-	-	(1,534)
Income tax recovery (expense) - current	50	(11)	(108)	(11)
Income tax (expense) recovery - deferred	(390)	733	2,522	3,119
Loss from continuing operations	$ (2,050)	$ (5,552)	$ (7,952)	$ (12,701)
Add:				
Amortization	2,697	2,295	5,404	4,958
Depreciation	3,902	3,674	7,798	6,696
Interest expense	8,400	7,577	16,576	16,126
Income tax (recovery) expense - current	(50)	11	108	11
Income tax expense (recovery) - deferred	390	(733)	(2,522)	(3,119)
EBITDA	$ 13,289	$ 7,272	$ 19,412	$ 11,971
Interest, taxes, depreciation and amortization of long-term invesments	$ 241	$ 447	$ 374	$ 616
Loss on de-recognition of debt	-	-	-	1,534
Adjusted EBITDA	$ 13,530	$ 7,719	$ 19,786	$ 14,121

Selected Balance Sheet Accounts	June 30, 2013	December 31, 2012
Total assets	$ 408,673	$ 415,389
Senior credit facility	89,509	89,300
Secured debentures	156,243	152,860
Unsecured debentures	21,589	18,781
Shareholders' equity	45,469	53,251

SECOND QUARTER 2013 RESULTS

Tuckamore's continuing operations from its portfolio investments are reported in its three operating segments: Marketing, Industrial Services and Other. Effective January 1, 2013, Tuckamore is required to adopt IFRS 11 Joint Arrangements, which requires that joint ventures have to be accounted for using the equity method of accounting and states that the proportionate consolidation method is no longer acceptable. Joint ventures are accounted for as long-term investments on the unaudited consolidated interim balance sheets and the income from joint ventures are recognized in the unaudited consolidated interim statement of income and comprehensive income as income from long-term investments. Please refer to note 1 and note 5 of Tuckamore's unaudited consolidated interim financial statements for the three and six months ended June 30, 2013 and 2012 for more information.

Revenues for the three and six months ended June 30, 2013 were $179,508 and $324,873 compared to $176,829 and $333,932 during the same periods in the prior year. This represents an increase of 1.5% and a decrease of 2.7%, respectively. The increase for the three months ended June 30, 2013 was largely driven by an increase in revenues at ClearStream and Quantum Murray. Quantum Murray has experienced a gradual improvement in their backlog since bidding on new Demolition projects resumed in late 2012. The decrease for the six months ended June 30, 2013 is primarily from Quantum Murray, which benefitted from the completion of several larger projects in the first quarter of the previous year.

Gross profit for the three and six months ended June 30, 2013 was $36,631 and $64,868 compared to $28,973 and $57,112 during the same periods in the prior year. This represents an increase of 26.4% and 13.6%, respectively. Gross margins were 20.4% and 20.0% for the three and six months ended June 30, 2013 compared to 16.4% and 17.1% during the same periods in the prior year. The margin increase was primarily related to margin improvements in several divisions of ClearStream, as well as the containment of costs in the demolition division of Quantum Murray, which experienced certain cost-overruns in the prior-year.

For the three and six months ended June 30, 2013, Tuckamore's three operating segments produced $14,866 and $22,266 of EBITDA for Tuckamore compared to $9,298 and $17,926 during the same periods in the prior year. Refer to the chart on the following page for EBITDA by operating partner.

Corporate administrative costs for three and six months ended June 30, 2013 were $1,336 and $2,480 compared to $1,579 and $3,805 during the same periods in the prior year. The overall decrease in expenses year over year is primarily attributed to the run-off in costs on the stock-based compensation.

Non-cash items that impacted the results were depreciation and amortization and deferred income taxes. Depreciation and amortization was $6,599 and $13,202 for three and six months ended June 30, 2013, compared to $5,969 and $11,654 during the same periods in the prior year.

For the three and six months ended June 30, 2013, interest costs were $8,400 and $16,576, compared to $7,577 and $16,126 in the prior year. Non-cash interest expense was $6,191 for the six months ended June 30, 2013 compared to $5,361 in the prior period. 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. During the six months ended June 30, 2013, the operating segments had capital expenditures and capital lease payments of $5,158 compared to $5,672 during the six months ended June 30, 2012. The majority of these expenditures were incurred in the Industrial Services segment.

Net loss for the three and six months ended June 30, 2013 from continuing operations was $2,050 and $7,952 compared to a net loss of $5,522 and $12,701 during the same periods of the prior year.

Adjusted EBITDA $000s		Q2 2013		Q2 2012		2013 vs. 2012
Marketing						
Gemma		155		289		(134)
IC Group		257		329		(72)
	$	412	$	618	$	(206)
Industrial Services						
ClearStream		14,016		10,843		3,173
Quantum Murray		(424)		(3,353)		2,929
	$	13,592	$	7,490	$	6,102
Other						
Gusgo		402		606		(204)
Titan		460		584		(124)
Rlogistics		-		-		-
	$	862	$	1,190	$	(328)
Adjusted EBITDA from portfolio operations	$	14,866	$	9,298	$	5,568
Corporate		(1,336)		(1,579)		243
Adjusted EBITDA from operations	$	13,530	$	7,719	$	5,811

MARKETING

Gemma had a challenging quarter with lower revenues compared to the same quarter in the prior year. The decrease in revenues was primarily a result of a reduction in business volumes from a key client, as well as program delays with other clients.

INDUSTRIAL SERVICES

ClearStream's improved results for the three months ended June 30, 2013 reflect a strong performance of the underlying businesses. On a divisional basis higher business volumes from the Wear and Oil Sands divisions drove the improved results. In addition to this, ClearStream has experienced improvements in gross margins across most of its divisions. The business is beginning to realize organizational benefits and synergies of operating under the one company strategy, which has been implemented over the past two years.

Quantum Murray's results have improved over the same quarter in the prior year, however the results are still disappointing. The demolition division has been successful in bidding on and effectively executing several smaller and medium sized projects. Activity in the Pacific remediation division of Quantum Murray has been stronger, however work volumes in the hazmat division have been lower than usual.

OTHER

Gusgo's results in the second quarter of 2013 were lower than the same period a year ago, due to lower volumes from a significant client who experienced production issues and unplanned delivery and storage costs for a large client that had fewer drop shipments than in the prior year.

Titan's results in the second quarter of 2013 were lower than the same quarter in the prior year due to the fact that Titan's sales mix in 2013 included a greater proportion of lower margin wear products. Abnormally wet weather conditions, also affected the construction market that Titan serves.

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. Although the Company is required to report interests in joint venture's using the equity method of accounting under IFRS 11 Joint Arrangements, management views the business as if the assets, liabilities, revenues and expenses of joint ventures (IC Group in the Marketing Segment) were proportionately consolidated. Proportionately consolidated results are used by management to make major strategic and operating decisions. As such, segment results include joint ventures as if they were proportionately consolidated.

Gemma	-	Integrated direct marketing company
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,	
	2013	2012	2013	2012
Revenues	$ 8,196	$ 8,897	$ 16,213	$ 18,743
Cost of revenues	(5,246)	(5,858)	(10,370)	(12,262)
Gross profit	2,950	3,039	5,843	6,481
Selling, general and administrative expenses	(2,538)	(2,421)	(5,100)	(5,063)
Amortization expense	(782)	(782)	(1,564)	(1,565)
Depreciation expense	(112)	(163)	(239)	(334)
Interest expense	(37)	(10)	(24)	(23)
Income tax expense - current	-	(11)	-	(11)
Income tax recovery (expense) - deferred	180	123	429	(379)
Income (loss) for the period	$ (339)	$ (225)	$ (655)	$ (894)
Add:				
Amortization	782	782	1,564	1,565
Depreciation	112	163	239	334
Interest expense	37	10	24	23
Income tax expense - current	-	11	-	11
Income tax (recovery) expense - deferred	(180)	(123)	(429)	379
EBITDA	$ 412	$ 618	$ 743	$ 1,418

(I) REVENUES

Revenues for the Marketing segment were $8,196 and $16,213 for the three and six month period ended June 30, 2012, a 7.9% and 13.5% decrease over comparative 2012 revenues of $8,897 and $18,743.

The decrease in revenues was primarily at Gemma, where a key client decreased their spending over the same period in the prior year. Certain financial clients have also delayed the start of new programs that management anticipated in the first half of 2013. In addition to this, Gemma experienced a large power outage in late June resulting in reduced revenues for the quarter ended June 30, 2013.

Revenues at the IC Group for the three and six months ended June 30, 2013 were lower than the same period in the prior year primarily due to a reduction in program spending from a large client in 2013. Management is

currently working with IC Group's business development team to finalize deals with new clients and source prospective clients.

(II) GROSS PROFIT

Gross profit for the Marketing segment was $2,950 and $5,843 and gross margin percentages were 36.0% and 36.0% for the three and six months ended June 30, 2013. For the comparative periods ended June 30, 2012, gross profit was $3,039 and $6,481 and the gross profit margins was 34.2% and 34.6%. Gemma has experienced a decline in gross profit primarily as a result of lower revenues, however a significant effort has been made to manage costs and improve operational efficiencies during a period of lower revenues. These efforts have resulted in a higher gross margin percentage compared to the same periods in the prior year. IC Group has experienced an improvement in the period over period gross margins due to operational efficiencies achieved in the servicing of larger clients.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $2,538 and $5,100 for the three and six month period ended June 30, 2013 compared to $2,421 and $5,063 in 2012. These expenses as a percentage of revenues were 31.0% and 31.5% in 2013 compared to 27.2% and 27.0% during the same periods in 2012. The increase in the SG&A percentage is directly related to fixed costs, which cannot immediately be reduced in line with the reduction in business volumes.

INDUSTRIAL SERVICES

The Industrial Services segment includes 100% of the results of ClearStream and Quantum Murray

ClearStream	-	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,	
	2013	2012	2013	2012
Revenues	$ 174,127	$ 171,311	$ 314,446	$ 321,616
Cost of revenues	(139,249)	(144,017)	(252,993)	(268,388)
Gross profit	34,878	27,294	61,453	53,228
Selling, general and administrative expenses	(21,286)	(19,804)	(42,231)	(39,541)
Amortization expense	(1,904)	(1,498)	(3,817)	(3,197)
Depreciation expense	(4,047)	(1,893)	(7,369)	(4,259)
Interest expense	(3,075)	(2,992)	(6,026)	(5,827)
Income tax recovery (expense) - current	41	-	(99)	-
Income tax recovery (expense) - deferred	175	411	946	58
Loss for the period	$ 4,782	$ 1,518	$ 2,857	$ 462
Add:	-	-	-	-
Amortization	1,904	1,498	3,817	3,197
Depreciation	4,047	1,893	7,369	4,259
Interest expense	3,075	2,992	6,026	5,827
Income tax (recovery) expense - current	(41)	-	99	-
Income tax (recovery) expense - deferred	(175)	(411)	(946)	(58)
EBITDA	$ 13,592	$ 7,490	$ 19,222	$ 13,687

	Three months ended June 30,				Six months ended June 30,			
	ClearStream		Quantum Murray		ClearStream		Quantum Murray	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenues	$ 139,690	$ 138,834	$ 34,437	$ 32,477	$ 254,997	$ 241,851	$ 59,449	$ 79,765
Cost of revenues	(110,884)	(115,699)	(28,365)	(28,318)	(204,511)	(201,915)	(48,482)	(66,473)
Gross profit	28,806	23,135	6,072	4,159	50,486	39,936	10,967	13,292
Selling, general and administrative expense	(14,790)	(12,292)	(6,496)	(7,512)	(28,853)	(23,782)	(13,378)	(15,759)
Amortization expense	(1,458)	(1,042)	(446)	(456)	(2,925)	(2,451)	(892)	(746)
Depreciation expense	(2,574)	(1,443)	(1,473)	(450)	(4,356)	(3,053)	(3,013)	(1,206)
Interest expense	(3,000)	(2,923)	(75)	(69)	(5,900)	(5,689)	(126)	(138)
Income tax recovery (expense) - current	41	-	-	-	(99)	-	-	-
Income tax recovery (expense) - deferred	323	(362)	(148)	773	911	(695)	35	753
Income (loss) for the period	$ 7,348	$ 5,073	$ (2,566)	$ (3,555)	$ 9,264	$ 4,266	$ (6,407)	$ (3,804)
Add:								
Amortization	1,458	1,042	446	456	2,925	2,451	892	746
Depreciation	2,574	1,443	1,473	450	4,356	3,053	3,013	1,206
Interest expense	3,000	2,923	75	69	5,900	5,689	126	138
Income tax (recovery) expense - current	(41)	-	-	-	99	-	-	-
Income tax (recovery) expense - deferred	(323)	362	148	(773)	(911)	695	(35)	(753)
EBITDA	$ 14,016	$ 10,843	$ (424)	$ (3,353)	$ 21,633	$ 16,154	$ (2,411)	$ (2,467)

(I) REVENUES

Revenues from the Industrial Services segment were $174,127 and $314,446 for the three and six months ended June 30, 2013 compared with $171,311 and $321,616 during the same periods in the prior year. This amounts to an increase of 1.6% and a decrease of 2.2% over the same periods in the previous year, respectively.

At ClearStream, revenues for the three and six months ended June 30, 2013 increased by $856 and $13,146 compared to the same periods in the prior year. The Oil Sands division has experienced higher than expected business volumes from all areas of their business in Fort McMurray. In addition to this, the Oil Sands division completed a large shutdown project in the second quarter of 2013. The wear market continues to be robust resulting in increased pricing and a full order book. The Transportation division had favourable revenues compared to the same periods in the prior year. The increased revenues in the Transportation division are reflective of management's efforts to increase capacity by entering into a lease for a larger pipe yard and operating more trucks and equipment than in the same periods of the prior year. The Industrial Services division has had slightly lower revenues than the same periods in the prior year. The decrease in revenues at the Industrial Services division are primarily related to a slower start-up of work at many client sites and minimal emergency work emanating from clients during the second quarter of 2013, compared to the same period in the prior year.

At Quantum Murray, revenues for the three and six months ended June 30, 2013 increased by $1,960 and decreased by $20,316 in comparison to the same periods in the prior year. Prior year revenues were adversely affected by cost overruns and reductions in estimated final revenues on a few large scrap intensive demolition projects. Revenues in the Environmental division exceeded prior year second quarter results largely on the strength of a surge in remediation activity with several sizeable projects which are well underway or have started in 2013. Environmental revenues for the six months ended June 30, 2013 are lower than the same period in the prior year, primarily as a result of the completion of several large projects in the first quarter of 2012.

(II) GROSS PROFIT

Gross profit was $34,878 and $61,453 for the three and six months ended June 30, 2013 compared with $27,294 and $53,228 during the same periods of 2012. Gross profit margins for the three and six months ended June 30, 2013 were 20.0% and 19.5%, compared to 15.9% and 16.6% during the same periods of 2012.

ClearStream's gross profit for the three and six months ended June 30, 2013 increased by $5,671 and $10,550 over the same periods in the prior year. The gross margin percentage at all of ClearStream's divisions was up compared to the same periods in the prior year resulting from operational efficiencies and synergies gained through the implementation of the one company strategy over the past two years. In addition to this the Wear and Oil Sands divisions have experienced a greater demand for their services, ultimately leading to an increase in pricing and ultimately margins.

Quantum Murray's gross profit for the three and six months ended June 30, 2013 increased by $1,913 and decreased by $2,325 over the same periods in the prior year. In the second quarter of 2012, the Demolition division recorded significant negative adjustments to final estimated revenue and the costs to complete a number of demolition projects. Year to date 2013 gross margins are lower than a year ago due to the fact that Quantum Murray completed several large, profitable projects in the first quarter of 2012.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $21,286 and $42,231 for the three and six months ended June 30, 2013 compared to $19,804 and $39,541 during the comparative periods of 2012. Selling, general and administrative expenses as a percentage of revenues were 12.2% and 13.4% for the three and six month periods ended June 30, 2013, compared to 11.6% and 12.3% reported for the same periods in the prior year.

ClearStream's selling, general and administrative expenses for the three and six months ended June 30, 2013 increased by $2,498 and $5,071, or 20.3% and 21.3% over the same periods in the prior year. The increases in costs are primarily related to higher costs associated with becoming a larger organization, which is resourced for continued growth and expansion. In addition to this, ClearStream entered into a lease for a larger pipe logistics yard in 2013 and purchased additional infrastructure and is developing a new business territory in North East British Columbia.

Quantum Murray's selling, general and administrative expenses for the three and six months ended June 30, 2013 decreased by $1,016 and $2,381, or 13.5% and 15.1% over the same periods in the prior year. The decrease is primarily related to a reduction in headcount at the Demolition and Metals divisions as a result of the restructuring that took place in late 2012.

(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%) and Titan (92%). This segment also includes income from Tuckamore's equity investment in Rlogistics. Although the Company is required to report interests in joint venture's using the equity method of accounting under IFRS 11 Joint Arrangements, management views the business as if the assets, liabilities, revenues and expenses of joint ventures (Gusgo and Titan in the Other segment) were proportionately consolidated. Proportionately consolidated results are used by management to make major strategic and operating decisions. As such, segment results include joint ventures as if they were proportionately consolidated.

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

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Revenues	$ 11,858	$ 11,475	$ 25,161	$ 24,298
Cost of revenues	(8,117)	(7,633)	(17,213)	(16,145)
Gross profit	$ 3,741	$ 3,842	$ 7,948	$ 8,153
Selling, general and administrative expenses	(2,879)	(2,652)	(5,647)	(5,332)
Depreciation expense	(118)	(139)	(238)	(265)
Interest expense	(178)	(163)	(351)	(363)
Income tax recovery (expense) - current	8	-	-	-
Income tax expense - deferred	(22)	(297)	(30)	(288)
Income for the period	$ 552	$ 591	$ 1,682	$ 1,905
Add:				
Depreciation	118	139	238	265
Interest expense	178	163	351	363
Income tax (recovery) expense- current	(8)	-	-	-
Income tax expense - deferred	22	297	30	288
EBITDA	$ 862	$ 1,190	$ 2,301	$ 2,821

(I) REVENUES

Revenues for the other segment were $11,858 and $25,161 for the three and six months ended June 30, 2013, compared to $11,475 and $24,298 for the same periods in the prior year. This reflects an increase of 3.4% and 3.6%, respectively.

Gusgo's business volumes with key clients were consistent with the same periods in the prior year, with the exception of lower volumes from a large customer who experienced production issues in the second quarter of 2013. In addition to that, revenues were lower primarily due to a one-time project in the first quarter of 2012, which did not recur in 2013.

Titan's revenues for the three month's ended June 30, 2012 were lower than in the same period of the prior year due to a decline in the sale of rigging products resulting from lower drilling activity and poor weather conditions. Titan's relatively weak second quarter were buoyed by the strong results from the first quarter, resulting the company being ahead of year-to-date revenues in comparison to the same period in the prior year.

(II) GROSS PROFIT

Gross profit was $3,741 and $7,948 for the three and six months ended June 30, 2013, compared with $3,842 and $8,153 for the same periods in 2012. Gross profit margins were 31.5% and 31.6% the three and six months ended June 30, 2013, compared to 33.5% and 33.6% for the same periods in the prior year.

Gusgo's gross profit the second quarter of 2013 were lower than the same period a year ago, due to lower volumes from a significant client who experienced production issues and unplanned delivery and storage costs for a large client that had fewer drop shipments than in the prior year.

Gross margins for Titan were slightly reduced over second quarter 2012. Gross margins continue to be challenged by competitive pressures in most product categories. In 2013 Titan has experienced a higher demand for lower margin wear products and a lower demand for higher margin rigging products in comparison to the prior year.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $2,879 and $5,647 for the three and six months ended June 30, 2013, compared with $2,652 and $5,332 for the same periods in 2012. These expenses as a percentage of revenues were 24.3% and 22.4% for the three and six month periods ended June 30, 2013, compared to 23.1% and 21.9% for the same periods in the prior year. Increased staff levels at Titan and labour related costs remain the main factors for the increase in selling, general and administrative expenses compared to the same periods 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,	
	2013	2012	2013	2012
General and administrative expenses	$ (1,336)	$ (1,579)	$ (2,480)	(3,805)
Amortization expense	(11)	(16)	(23)	(196)
Depreciation expense	(3)	(1,641)	(242)	(2,150)
Interest expense	(4,936)	(4,394)	(10,233)	(9,933)
Loss on de-recognition of debt	-	-	-	(1,534)
Income tax expense - current	(10)	-	(9)	-
Income tax (expense) recovery - deferred	(749)	194	1,151	3,444
Loss for the period	$ (7,045)	$ (7,436)	$ (11,836)	$ (14,174)
Add:				
Amortization expense	11	16	23	196
Depreciation expense	3	1,641	242	2,150
Interest expense	4,936	4,394	10,233	9,933
Income tax expense - current	10	-	9	-
Income tax expense (recovery) - deferred	749	(194)	(1,151)	(3,444)
EBITDA	$ (1,336)	$ (1,579)	$ (2,480)	$ (5,339)
Loss on de-recognition of debt	-			1,534
Adjusted EBITDA	$ (1,336)	$ (1,579)	$ (2,480)	$ (3,805)

(I) GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were $1,336 and $2,480 for the three and six months ended June 30, 2013, compared to $1,579 and $3,805 for comparative periods in 2012. The break-down of general and administrative expenses is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Salaries and Benefits	$ 1,261	$ 961	$ 2,116	$ 2,297
Stock-based compensation expense	-	215	170	743
Audit, accounting and tax	377	406	475	576
Other costs, net	(302)	(3)	(281)	189
General and administrative expenses	$ 1,336	$ 1,579	$ 2,480	$ 3,805

The overall decrease in expenses year over year is attributed to the run-off in costs related to the stock based compensation expense. Salaries and benefits for the six months ended June 30, 2013 have decreased compared to the same period in the prior year due to lower head office salaries. The salaries and benefits expense for the three months ended June 30, 2013 are higher than the same period in the prior year due to an adjustment to accrued costs in the second quarter of the prior year.

(II) INTEREST EXPENSE

Interest expense for the three and six months ended June 30, 2013 were $4,936 and $10,233, compared to $4,394 and $9,933 for the comparative periods in the prior year. Interest expense relates to the senior credit facility and the Secured and Unsecured Debentures. The increase in the interest expense is primarily related to the accretion of interest on the Secured and Unsecured Debentures. The accreted interest expense gradually increases as these debt instruments move closer towards their maturity dates.

(III) LOSS ON DE-RECOGNITION OF DEBT

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 to BMO was a de-recognition of debt. A loss on de-recognition of $1,534 was recorded representing transaction costs and the write-off of deferred financing costs related to the de-recognized facility.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The following table summarizes the major consolidated cash flow components:

Six months ended June 30,		2013		2012
Cash provided by (used in) operating activities	$	14,146	$	(11,597)
Cash (used in) provided by investing activities		(1,815)		4,553
Cash used in financing activities		(3,214)		(17,020)
Consolidated cash (continuing and discontinued operations)	$	19,666	$	2,592

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,		2013		2012
Cash provided by continuing operations	$	9,195	$	2,696
Changes in non-cash balances				
Accounts receivable		8,278		(11,691)
Inventories		501		7,331
Prepaids and other current assets		634		(314)
Accounts payable, accrued liabilities and deferred revenue		(4,462)		(9,725)
Increase (decrease) in cash due to changes in non-cash balances		4,951		(14,399)
Cash and distributions provided by discontinued operations		-		106
Cash provided by (used in) operating activities	$	14,146	$	(11,597)

CASH FROM INVESTING ACTIVITIES

For the six months ended June 30, 2013, cash used in investing activities totaled $1,575 compared to cash provided by investing activities of $4,553 for the comparative period in 2012. See table below for further details.

Six months ended June 30,		2013		2012
Purchase of property, plant and equipment, net of disposals		(2,082)		(2,885)
Net proceeds on disposal of properly, plant & equipment		497		141
Purchase of software		(240)		(21)
Proceeds on disposal of investment		-		7,557
Increase in other assets		10		(232)
Cash used in discontinued operations		-		(7)
Cash (used in) provided by investing activities	$	(1,815)	$	4,553

CASH USED IN FINANCING ACTIVITIES

For the six months ended June 30, 2013, cash used in financing activities was $3,214 compared to $17,020 in the comparative period in the prior year.

Six months ended June 30,		2013		2012
Repayment of long-term debt	$	(118)	$	(16,200)
(Increase) decrease in cash held in trust		(20)		2,352
Repayment of capital lease obligations		(3,076)		(2,787)
Cash used in discontinued operations		-		(385)
Cash used in financing activities	$	(3,214)	$	(17,020)

FINANCING

THIRD AMENDED & RESTATED SENIOR CREDIT AGREEMENT

On March 9, 2012 Tuckamore completed an assignment (the "Assignment") to Bank of Montreal ("BMO") of its senior credit facility in the amount of $94,555 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. The maturity date of the senior credit facility is March 9, 2015.

Effective November 13, 2012 Tuckamore reached an agreement to amend the financial covenants related to the Amended Senior Credit facility. The amended covenants include the interest coverage ratio, priority senior debt ratio and the minimum EBITDA amount. The amended covenants will be in effect for three quarters commencing the quarter ended September 30, 2012. After these three quarters, the covenants will revert back to the requirements prior to the November 13, 2012 amendment. As part of the amendment, the interest rate on the Amended Senior Credit Facility was adjusted to prime plus 1.625%. The total cost of the amendment was 0.125% and this amount has been expensed in 2012. Without the amendment, Tuckamore would have been in default on certain covenants at September 30, 2012, resulting in the senior credit facility and debentures being due on demand.

At June 30, 2013 Tuckamore was in compliance with its debt covenants. There is a risk that the Company may not meet certain debt covenants in the future and without an amendment from its senior lenders, the senior credit facility and debentures would be due on demand and classified as current.

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

Advances outstanding under the Amended Senior Credit Facility as June 30, 2013 total $90,637 with $60,000 of this amount as a revolving facility and the balance as a term facility. The full $60,000 of the revolving facility was drawn as at June 30, 2013.

Tuckamore is obligated to repay a portion of the senior credit facility prior to the maturity date of the senior credit facility based on proceeds from specified dispositions, proceeds from the issuance of equity instruments or based on excess operating cash flows as defined. During the quarter ended June 30, 2013 excess cash flow of $118 was used to repay a portion of the term facility.

DEBENTURES

The aggregate principal amount of the Secured Debentures is $176,228 and 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. The Secured Debentures are listed on the TSX. Under certain conditions Tuckamore has the option to redeem in cash any or all Secured Debentures outstanding at any time in its sole discretion without bonus or penalty, provided all accrued interest is paid at redemption. Tuckamore is also obligated to redeem a portion of the Secured Debentures prior to the Secured Debenture Maturity Date in certain circumstances based on proceeds from specified dispositions, proceeds from the issuance of equity instruments or based on excess operating cash flow as defined. Tuckamore is unable to estimate amounts repayable in connection with this mandatory redemption provision. The Secured Debentures have a security interest in substantially all of Tuckamore's assets which is subordinated to similar security interests granted in connection with the ARCA or certain debt incurred in the future by Tuckamore's subsidiaries.

The aggregate principal amount of the Unsecured Debentures is $26,552 and the maturity date is March 23, 2014 (the "Unsecured Debenture Maturity Date"). Interest accrues on the principal amount of the Unsecured Debentures at a non-compounding rate of 3.624% per annum, payable in cash at the Unsecured Debenture Maturity Date. The Unsecured Debentures are listed on the TSX. Tuckamore will repay the principal amount of the Unsecured Debentures on the Unsecured Debentures Maturity Date either in cash or by delivering common shares of Tuckamore Capital Management Inc. at a conversion price of $0.2254 per common share. The total number of common shares to be issued on the repayment of the Unsecured Debentures is capped at 10% of the fully diluted outstanding common shares of Tuckamore Capital Management Inc. on the repayment date. The Unsecured Debentures mature on March 23, 2013 and as such they have been reclassified as a current liability on the consolidated interim balance sheet.

SOURCES OF FUNDING

Tuckamore will continue to look to reduce its debt leverage. The financing arrangements are designed to ensure that debt balances are reduced as quickly as possible. Consequently, proceeds of all asset sales are required to retire debt, as well as 75% of available cash flow.

The Operating Partnerships will primarily continue to be self-funding, and as required Tuckamore will continue to provide working capital advances, largely to its industrial services investments. Increasing working capital needs at ClearStream reflect the significant growth of the business.

WORKING CAPITAL

Working capital chart for MDA

	June 30, 2013	December 31, 2012
Current assets	$ 199,659	$ 199,934
Current liabilities	98,540	80,928
Working capital - continuing operations	101,119	119,006
Working capital - discontinued operations	-	-
Total working capital	$ 101,119	$ 119,006

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, 2013	Marketing	ClearStream	Quantum	Other	Total
Capital expenditures	$ 73	$ 1,563	$ 446	$ -	$ 2,082
Finance lease repayments	51	2,087	938	-	$ 3,076
Total capital expenditures	$ 124	$ 3,650	$ 1,384	$ -	$ 5,158

Six months ended June 30, 2012	Marketing	ClearStream	Quantum	Other	Total
Capital expenditures	$ 49	$ 2,272	$ 564	$ -	$ 2,885
Finance lease repayments	89	1,350	1,348	-	$ 2,787
Total capital expenditures	$ 138	$ 3,622	$ 1,912	$ -	$ 5,672

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, 2012 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 $63,839 at June 30, 2013 (December 31, 2012 - $63,839).

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 $56,297 at June 30, 2013 (December 31, 2012 - $61,464).

Deferred Taxes

Tuckamore has computed deferred income taxes based on temporary differences that are expected to reverse after June 30, 2013. 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, 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, 2013 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 22.8%.

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

ADDITIONAL INFORMATION

NEW STANDARDS AND INTERPRETATIONS THAT HAVE BEEN ADOPTED

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2012, except for the adoption of new standards and interpretations effective as of January 1, 2013.

The Company applies, for the first time, certain standards and amendments that require restatement of previous financial statements. These include IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 13 Fair Value Measurement. As required by IAS 34, the nature and effect of these changes are disclosed below. In addition, the application of IFRS 12 Disclosures of Interest in Other Entities would result in additional disclosures in the annual consolidated financial statements.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the annual or interim consolidated financial statements of the Company.

The nature and the impact of each new standard/amendment is described below:

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the consolidation of investments held by the Company.

IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method.

The application of this new standard impacted the financial position of the Company by replacing proportionate consolidation of joint ventures in Titan, Gusgo and IC Group with the equity method of accounting. The effect

of IFRS 11 is described in more detail in notes 1 and 5 to the consolidated interim financial statements, which includes a quantification of the effect on the financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is require to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted fair value measurements carried out by the Company.

SUMMARY OF QUARTERLY RESULTS – ($000S EXCEPT UNIT AMOUNTS)

	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3
Revenues	$179,508	$145,365	$ 185,280	$ 174,250	$ 176,829	$ 157,103	$ 171,106	$ 143,401
Net Income (loss) from continuing operations	(2,050)	(5,902)	(9,758)	(5,049)	(5,552)	(7,149)	(8,745)	4,217
Net income (loss)	(2,050)	(5,902)	(9,758)	(5,049)	(3,614)	(7,119)	(9,625)	17,733
Income (loss) per unit from continuing operations	(0.03)	(0.08)	(0.13)	(0.07)	(0.08)	(0.10)	(0.12)	0.06
Income (loss) per unit	(0.03)	(0.08)	(0.13)	(0.07)	(0.05)	(0.10)	(0.13)	0.25

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, 2013 directors, officers and employees, and operating partners related to Tuckamore beneficially hold an aggregate of 18,599,812 units or 21.67% on a fully diluted basis.

TRANSACTIONS

Income from long-term investments includes $230 and $460 of rent expense paid to a company owned by the minority shareholder of Gusgo for the three and six months ended June 30, 2013 (2012 - $230 and $460). Tuckamore shares space and services with a business which employs two of its directors, and paid $73 and $155 for the three and six months ended June 30, 2013 (2012 - $84 and $167) for such services. Interest charged to joint venture Operating Partners on advances was $186 and $367 for the three and six months ended June 30, 2013 (2012 - $188 and $373). One of Tuckamore's board members is a member of the executive team for a client of Gemma. Revenues in the amount of $2,552 and $4,946 were realized from this client during the three and six months ended June 30, 2013 (2012 - $3,018 and $5,549), with $876 in receivables at June 30, 2013 (December 31, 2012 - $2,117). Another member of Tuckamore's board of directors is a senior partner at a vendor from which Tuckamore obtains services. Total expenses and expenditures for services obtained during the three and six months ended June 30, 2013 amounted to approximately $292 and $477 (2012 - $447 and $770), respectively. Approximately $343 of these expenses were in accounts payable and accrued liabilities at June 30, 2013 (December 31, 2012 - $551).

THIRD QUARTER OUTLOOK

At ClearStream, there continues to be a strong business outlook in some divisions as we expect high levels of activity in both the Wear and Oil Sands divisions to continue. The Fabrication division is now more active and seeking opportunities for new work which are in various stages of the bidding/award process. Should these projects materialize, the Fabrication division should experience a growth in revenues over the first half of 2013. Conventional oil and gas maintenance services are expected to have better results in the second half of 2013, partly due to a significant client win. ClearStream now has its largest contingent of business development personnel with proven expertise currently on staff. Two new members recently joined the business development team and management believes that these individuals will be instrumental in successfully pursuing new opportunities.

Quantum Murray's third quarter outlook appears to be more favourable reflecting the high season of the business and improved results from a positive change in organizational structure and processes. Management expects continued strength in the Remediation divisions which will continue to work through several larger projects over the remaining summer months. In spite of a few ongoing challenges with legacy projects in the Demolition division, the Demolition group has a robust pipeline of projects which should contribute positively through the remainder of 2013. The Demolition division's recovery and future success continues to depend on management's ability to successfully bid and win new projects of all sizes, but particularly medium to large projects.

In the Marketing segment, the outlook continues to be mixed. At Gemma, unplanned hour reductions from a key client will impact third quarter revenues. Recent new client wins are encouraging but need to continue. The loss of a large customer from IC Group will continue to negatively impact IC Group's results for 2013, however management hopes that the shortfall will be made up by a new client that has been secured. Management has also increased its sales efforts at IC Group in an effort to diversify the client base and grow the business.

In the Other segment, results are expected to be similar to the first two quarters of 2013. The Canadian Association of Oilwell Drilling Contractors is calling for similar drilling activity in the third and fourth quarter of 2013, which may result in lower sales of higher margin rigging products compared to the prior year for Titan. Titan will continue to focus on improving its relationship with existing customers and cost cutting measures. Gusgo's results in the third and fourth quarter will depend on its clients' ability to manage production issues and return to more drop shipments, resulting in lower costs.

Management continues to look to create value through the improvement of the operations of Tuckamore's assets and, in some cases, may look to realize value through the sale of certain of its assets.

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 22, 2013 for the year ended December 31, 2012.

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, 2012 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, 2013 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, 2013 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;

"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

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

"TH" – means Tuckamore Holdings LP, a limited partnership formed under the laws of Ontario;

"Operating Partnerships" – means businesses in which Tuckamore 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.