Consolidated Interim Financial Statements of

# TUCKAMORE CAPITAL MANAGEMENT INC.

Three and Six Months Ended June 30, 2014 and 2013
(Unaudited)

These statements have not been reviewed by an independent firm of Chartered Accountants.

**TUCKAMORE CAPITAL MANAGEMENT INC.**
Consolidated Interim Balance Sheets
(In thousands of Canadian dollars)
(unaudited)

| | | June 30, 2014 | | December 31, 2013 |
|---|---|---|---|---|
| Assets | | | | |
| Current Assets: | | | | |
| Cash | $ | 12,963 | $ | 28,883 |
| Cash and short-term investments held in trust | | 2,950 | | 2,950 |
| Accounts receivable | | 161,389 | | 145,858 |
| Inventories | | 16,918 | | 12,721 |
| Prepaid expenses | | 3,391 | | 6,753 |
| Other current assets | | 2,921 | | 2,733 |
| Total current assets | $ | 200,532 | $ | 199,898 |
| Property, plant and equipment (note 2) | | 60,606 | | 62,688 |
| Long-term investments | | 28,348 | | 28,281 |
| Goodwill | | 61,128 | | 61,128 |
| Intangible assets | | 46,699 | | 49,896 |
| Other assets | | 633 | | 633 |
| Total assets | $ | 397,946 | $ | 402,524 |
| Liabilities and Shareholders' Equity | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | | 63,818 | | 65,807 |
| Deferred revenue | | 1,388 | | 3,048 |
| Current portion of obligations under finance leases | | 5,886 | | 6,041 |
| Senior credit facility (note 3) | | 84,681 | | 5,481 |
| Unsecured debentures (note 3) | | - | | 24,819 |
| Total current liabilities | $ | 155,773 | $ | 105,196 |
| Obligations under finance leases | | 10,221 | | 11,584 |
| Senior credit facility (note 3) | | - | | 84,354 |
| Secured debentures (note 3) | | 163,233 | | 159,700 |
| Deferred tax liability (note 4) | | 6,274 | | 5,650 |
| Shareholders' equity | | 62,445 | | 36,040 |
| Total liabilities & shareholders' equity | $ | 397,946 | $ | 402,524 |

The accompanying notes are an integral part of these financial statements.

## TUCKAMORE CAPITAL MANAGEMENT INC.

Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
(In thousands of Canadian dollars, except per share amounts)
(unaudited)

| | Three months ended June 30, 2014 | Three months ended June 30, 2013 Restated[1] | Six months ended June 30, 2014 | Six months ended June 30, 2013 Restated[1] |
|---|---|---|---|---|
| Revenues | $ 172,517 | $ 177,337 | $ 345,055 | $ 320,193 |
| Cost of revenues | (131,913) | (141,137) | (267,739) | (256,344) |
| Gross profit | 40,604 | 36,200 | 77,316 | 63,849 |
| Selling, general and administrative expenses | (25,828) | (23,888) | (51,346) | (47,241) |
| Amortization of intangible assets | (1,712) | (2,697) | (3,431) | (5,404) |
| Depreciation | (3,367) | (3,883) | (6,690) | (7,760) |
| Income from long-term investments | 804 | 989 | 2,146 | 2,770 |
| Interest expense, net | (6,497) | (8,442) | (14,862) | (16,598) |
| Transaction costs | (2,706) | - | (2,706) | - |
| Income (loss) before income taxes | $ 1,298 | $ (1,721) | $ 427 | $ (10,384) |
| Income tax recovery (expense) - current | - | 50 | - | (109) |
| Income tax (expense) recovery - deferred (note 4) | (643) | (379) | 2,372 | 2,540 |
| Net income (loss) | $ 655 | $ (2,050) | $ 2,799 | $ (7,953) |
| Net income (loss) and comphrehensive income (loss) | $ 655 | $ (2,050) | $ 2,799 | $ (7,953) |

| Income (loss) per share (note 5) | Three months ended June 30, 2014 | Three months ended June 30, 2013 | Six months ended June 30, 2014 | Six months ended June 30, 2013 |
|---|---|---|---|---|
| Basic: | | | | |
| Net income (loss) | $ 0.01 | $ (0.03) | $ 0.04 | $ (0.11) |
| Diluted: | | | | |
| Net income (loss)[2] | $ 0.01 | $ (0.03) | $ 0.03 | $ (0.11) |

The accompanying notes are an integral part of these financial statements.
[1]Certain amounts shown here do not correspond to the interim consolidated financial statements previously published for the quarter ended June 30, 2013. Please refer to note 9 for more details.
[2] The effect of stock options for three and six months period ended June 30, 2013 is anti-dilutive.

## TUCKAMORE CAPITAL MANAGEMENT INC.

Consolidated Interim Statements of Shareholders' Equity
(In thousands of Canadian dollars, except per share amounts)
(unaudited)

| | Number of shares | | Shareholders' Capital | | Deficit | | Contributed Surplus | | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|---|---|
| Balance - December 31, 2013 | 71,631,431 | $ | 414,884 | $ | (387,107) | $ | 8,263 | $ | 36,040 |
| Net income for the period | - | | - | | 2,799 | | - | | 2,799 |
| Shares issued upon settlement of Unsecured Debentures, net of tax (notes 3 & 4) | 8,493,143 | | 23,552 | | - | | - | | 23,552 |
| Options exercised (note 6) | 150,000 | | 54 | | - | | - | | 54 |
| Balance - June 30, 2014 | 80,274,574 | $ | 438,490 | $ | (384,308) | $ | 8,263 | $ | 62,445 |

| | Number of shares | | Shareholders' Capital | | Deficit | | Contributed Surplus | | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|---|---|
| Balance - December 31, 2012 | 71,631,431 | $ | 414,884 | $ | (369,726) | $ | 8,093 | $ | 53,251 |
| Net loss for the period | - | | - | | (7,953) | | - | | (7,953) |
| Stock-based compensation | - | | - | | - | | 170 | | 170 |
| Balance - June 30, 2013 | 71,631,431 | $ | 414,884 | $ | (377,679) | $ | 8,263 | $ | 45,468 |

The accompanying notes are an integral part of these financial statements.

## TUCKAMORE CAPITAL MANAGEMENT INC.

Consolidated Interim Statements of Cash Flows
(In thousands of Canadian dollars)
(unaudited)

| | | Six months ended June 30, 2014 | | Six months ended June 30, 2013 Restated[1] |
|---|---|---|---|---|
| Cash provided by (used in): | | | | |
| Operating activities: | | | | |
| Net income (loss) for the period | $ | 2,799 | $ | (7,953) |
| Items not affecting cash: | | | | |
| Amortization of intangible assets | | 3,431 | | 5,404 |
| Depreciation | | 6,690 | | 7,760 |
| Deferred income tax recovery (note 4) | | (2,372) | | (2,540) |
| Income from equity investments, net of cash received | | (67) | | (220) |
| Non-cash interest expense | | 5,267 | | 6,191 |
| Amortization of deferred financing costs (note 3) | | 327 | | 326 |
| Stock based compensation expense | | - | | 170 |
| Changes in non-cash working capital | | (20,270) | | 4,951 |
| Total cash (used in) provided by operating activities | $ | (4,195) | $ | 14,089 |
| Investing activities: | | | | |
| Purchase of property, plant and equipment (note 2) | | (3,426) | | (2,082) |
| Net proceeds on disposal of property, plant and equipment | | 448 | | 497 |
| Purchase of software | | (234) | | (240) |
| Decrease in other assets | | - | | 10 |
| Total cash used in investing activities | $ | (3,212) | $ | (1,815) |
| Financing activities: | | | | |
| Repayment of long-term debt (note 3) | | (5,481) | | (118) |
| Increase in cash held in trust | | - | | (20) |
| Repayment of finance lease obligations | | (3,032) | | (3,076) |
| Total cash used in financing activities | $ | (8,513) | $ | (3,214) |
| (Decrease) increase in cash | | (15,920) | | 9,060 |
| Cash, beginning of period | | 28,883 | | 10,549 |
| Cash, end of period | $ | 12,963 | $ | 19,609 |
| Supplemental cash flow information: | | | | |
| Interest paid | | 8,066 | | 2,673 |
| Supplemental disclosure of non-cash financing and investing activities: | | | | |
| Acquisition of property, plant and equipment through finance leases | | 1,680 | | 4,928 |

The accompanying notes are an integral part of these financial statements.
[1]Certain amounts shown here do not correspond to the interim consolidated financial statements previously published for the quarter ended June 30, 2013. Please refer to note 9 for more details.

Tuckamore Capital Management Inc. ("Tuckamore"), is a corporation formed pursuant to the Business Corporations Act (Ontario). The registered office is located in Toronto, Ontario. Tuckamore was created to indirectly invest in securities of private businesses, either in limited partnerships or in corporations (collectively the "Operating Partners").

The consolidated interim financial statements were authorized for issue in accordance with a resolution of the directors of Tuckamore on August 5, 2014.

## 1. Significant accounting policies

a) Basis of Presentation

These consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" as issued by the International Financial Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed.

These consolidated interim financial statements have been presented in Canadian dollars rounded to the nearest thousand unless otherwise indicated.

These consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2013.

b) New standards, interpretations and amendments adopted by the Company.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the Company's annual consolidated financial statements for the year ended December 31, 2013, except for the adoption of the new standards and interpretations effective as of January 1, 2014.
The nature and the impact of each new standard or amendment is described as below:

(i) Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact to the Company, since none of the entities in the Company qualify to be an investment entity under IFRS 10.

(ii) Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Company's consolidated financial statements.

(iii) Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact to the Company as the Company has not novated its derivatives during the current or prior periods.

i) 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, 2014 and have not been applied in preparing these interim financial statements. Tuckamore's intention is to adopt the standards when they become effective.

The following is a brief summary of the new standard:

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

IFRS 9 as issued reflects the IASB's work to date on the replacement of Financial Instruments: Recognition and Measurement (IAS 39), and applies to the classification and measurement of financial assets and financial liabilities as defined in IAS 39. In November 2013, the IASB issued a new version of IFRS 9 (IFRS 9 (2013)) which includes the new hedge accounting requirements and some related amendments to IAS 39, Financial Instruments: Recognition and Measurement and IFRS 7, Financial Instruments: Disclosures. IFRS 9 (2013) does not have a mandatory effective date. The impact of this ongoing project will be assessed by the Company as remaining phases of the project are completed. The impact of IFRS 9 on Tuckamore's consolidated financial statements is not known at this time.

## 2. Property, plant and equipment

During the six months ended June 30, 2014, the Company acquired assets with a cost of $5,056, including equipment under finance leases of $1,630 (June 30, 2013 – $7,010, including equipment under finance leases of $4,928).

a) Collateral:

As at June 30, 2014, property plant and equipment of consolidated entities and joint ventures with a carrying amount of $41,575 and $998, respectively are subject to a general security agreement under the Senior Credit Facility (December 31, 2014 - $42,303 and $975).

b) Capital Commitments:

As at June 30, 2014, Tuckamore had no capital commitments for the acquisition of new equipment (December 31, 2013 - $nil).

## 3. Senior credit facility and debentures

a) Senior credit facility

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. The maturity date of the senior credit facility is March 9, 2015. The Senior Credit Facility had an interest rate of prime plus 1.5%, and contained customary covenants which included interest coverage ratio, priority senior debt ratio and minimum EBITDA amount.

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 were in effect for three quarters commencing the quarter ended September 30, 2012. 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% or $113.

On September 25, 2013 Tuckamore reached an agreement to amend the financial covenants ("the Second Amendment") related to the Senior Credit facility. The amended covenants include the interest coverage ratio, priority senior debt ratio and the minimum EBITDA amount, and are in effect for all quarters, commencing with the quarter ended September 30, 2013 through to December 2014. As part of the Second Amendment, the interest rate on the Senior Credit Facility was adjusted to prime plus 1.75%. This rate can be reduced when certain leverage ratios are achieved. The total cost of the amendment was 0.225% or $204.

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. In March 2014, Tuckamore repaid $5,481 representing 75% of excess cash flow for the fourth quarter of 2013.

At June 30, 2014 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.

Advances outstanding under the Amended Senior Credit Facility at June 30, 2014 total $85,156 with $60,000 of this amount as a revolving facility and the balance as a term facility. The full amount of the revolving facility was drawn at June 30, 2014.

On July 25, 2014, Tuckamore announced that it had entered into a subscription agreement with Orange Capital Master I Ltd. ("Orange Capital") to sell $12.5 million of common shares of the Company to Orange Capital for a price not lower than $0.75 per share, resulting in the issuance of no more than 16,666,667 shares (the "Private Placement").

(In thousands of Canadian dollars)

On August 1, 2014, following repeated submissions by Access Holdings Management Company LLC ("Access"), the Toronto Stock Exchange ("TSX") confirmed its conditional approval of the Private Placement. Access has indicated its intention to appeal the decision of the TSX, and on August 1, 2014 commenced an application before the Ontario Securities Commission (the "OSC") to consider a temporary cease trade order in respect of the Private Placement. The OSC dismissed this application on the basis that Tuckamore's counsel undertake that the company will effect an unwind of the Private Placement in circumstance where Access actually appeals the TSX decision and is successful on such appeal.

On August 1, 2014, and in accordance with the decision of the OSC, Tuckamore completed the Private Placement at a price of $0.80 per share for total gross proceeds of $13.3 million. As previously disclosed, Tuckamore has obtained approval from the lenders under its senior secured credit facilities to extend the maturity date thereunder from March 9, 2015 to December 31, 2015, which extension will become effective upon the prepayment of outstanding indebtedness thereunder using the net proceeds of the Private Placement.

| | | |
|---|---|---|
| **Total senior credit facility at January 1, 2013** | $ | 90,755 |
| Repayments | | (118) |
| **Total senior credit facility at December 31, 2013** | $ | 90,637 |
| Repayments | | (5,481) |
| **Total senior credit facility at June 30, 2014** | $ | 85,156 |
| Deferred financing costs at January 1, 2013 | | (1,455) |
| Amortization of deferred financing costs | | 653 |
| Deferred finance costs at December 31, 2013 | | (802) |
| Amortization of deferred financing costs | | 327 |
| Deferred finance costs at June 30, 2014 | | (475) |
| **Net Balance of senior credit facility at June 30, 2014** | $ | 84,681 |

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.

On March 24, 2014, pursuant to a mandatory conversion upon maturity, the Company satisfied the total principal owing under the Unsecured Debentures in the amount of $26,552. The principal was settled by the issuance of 8,493,143 common shares of the Company. Interest accrued on the principal amount of the Unsecured Debentures at a non-compounding rate of 3.624% per annum, and was paid in cash in the amount of $2,887 on March 23, 2014.

(In thousands of Canadian dollars)

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 of the 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.

| | | **Secured Debentures** |
|---|---|---|
| Issue date | | March 23, 2011 |
| Principal Amount | $ | 176,228 |
| Interest Rate | | 8.0% |
| Carrying value at June 30, 2014 | $ | 163,233 |
| Accretion expense recorded in 2014 | $ | 3,534 |
| Accretion expense remaining to be recorded prior to maturity | $ | 12,995 |
| Maturity Date | | March 23, 2016 |

## 4. Income taxes

The major components of income tax (expense) recovery are as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| Total current income tax recovery (expense) | $ - | $ 50 | $ - | $ (109) |
| Deferred income tax recovery: | | | | |
| Origination and reversal of temporary differences | (643) | - | (643) | 27 |
| Deferred tax due to changes in tax rates | - | (379) | 15 | 2,513 |
| Deferred tax due to settlement of Unsecured Debentures | - | - | 3,000 | - |
| Total deferred income tax (expense) recovery | $ (643) | $ (379) | $ 2,372 | $ 2,540 |

(In thousands of Canadian dollars)

## 5. Income (Loss) per share

The shares issuable under the stock options are the only potentially dilutive units.

The following table sets forth the adjustments to the numerator and denominator for fully diluted (loss) income per share:

| Three months ended June 30, | | 2014 | | 2013 |
|---|---|---|---|---|
| Numerator: | | | | |
| Net income (loss) | $ | 655 | $ | (2,050) |
| Denominator: | | | | |
| Weighted average number of shares outstanding (basic) | | 80,171 | | 71,631 |
| Effect of stock options vested[1] | | 13,150 | | |
| Weighted average number of shares outstanding (diluted) | | 93,321 | | 71,631 |

| Six months ended June 30, | | 2014 | | 2013 |
|---|---|---|---|---|
| Numerator: | | | | |
| Net income (loss) | $ | 2,799 | $ | (7,953) |
| Denominator: | | | | |
| Weighted average number of shares outstanding (basic) | | 76,279 | | 71,631 |
| Effect of stock options vested[1] | | 13,150 | | - |
| Weighted average number of shares outstanding (diluted) | | 89,429 | | 71,631 |

[1]The effect of stock options for the three and six month period ended June 30, 2013 was anti-dilutive.

## 6. Shares Outstanding

During the quarter ended June 30, 2014, 150,000 options from the Management Incentive Plan ("MIP) were exercised increasing the total number of Tuckamore Capital Management Shares outstanding to 80,274,574.

At June 30, 2014, 13,150,000 options remain outstanding and have fully vested. This includes 6,950,000 options under the MIP and 6,200,000 options under the Incentive Option Plan ("IOP")

## 7. Related party disclosures

a) Advances to operating partnerships

Tuckamore regularly provides advances to the operating partnerships to fund working capital needs. The advances bear interest at prime plus 1%, are unsecured and are due on demand. Advances are included in other current assets. The following table reflects the advances to other joint venture partners of the Operating Partnerships:

| As at | | June 30, 2014 | | December 31, 2013 |
|---|---|---|---|---|
| Net advances to joint venture operating partners | $ | 1,418 | $ | 1,467 |

b) Employee loans

Employee loans were made to certain management and employees. In accordance with the terms and conditions, the loans bear interest at prime, were used to purchase shares of Tuckamore and are collateralized by shares and in certain cases personal guarantees. The loan balances were $1,309 as at June 30, 2014 and $1,335 at December 31, 2013.

c) Other related party transactions

Income from long-term investments includes $209 and $418 of rent expense paid to a company owned by the minority shareholder of Gusgo for the three and six months ended June 30, 2014 (2013 - $230 and $460). These transactions occurred in the normal course of business and are recorded at the exchange amount, which is the amount of considerations established and agreed to between the parties. Tuckamore shares space and services with a business which employs two of its directors, and paid $67 and $135 for the three and six months ended June 30, 2014 (2013 - $73 and $155) for such services. Interest charged to joint venture Operating Partners on advances was $172 and $345 for the three and six months ended June 30, 2014 (2013 - $186 and $367). Two operating leases for property, with quarterly rents of $99 and $75 are with a landlord in which certain executives hold an indirect minority interest.

## 8. Segmented information

Tuckamore has four reportable operating segments, each of which has separate operational management and management reporting information. A majority of Tuckamore's operations, assets and employees are located in Canada. The marketing segment represents an integrated direct marketing company and a provider of on-line promotional and loyalty programs and select insurance products. The industrial services segment includes two reportable segments and represents the investments in a fully integrated provider of mid-stream production services to the energy industry and a provider of demolition contract services and site remediation services. The other segment includes a distributor and manufacturer of heavy equipment, a container transportation business and a reverse logistics provider. The corporate segment includes head office administrative and financing costs incurred by Tuckamore. The eliminations column represents adjustments required to reconcile Tuckamore's segmented reporting to the reporting on the consolidated interim balance sheet and statement of income (loss) and comprehensive income (loss). This column represents adjustments required to account for joint ventures under IFRS 11.

(In thousands of Canadian dollars)

| Three months ended June 30, 2014 | Marketing | Industrial Services | | Other | Corporate | Eliminations | Total |
|---|---|---|---|---|---|---|---|
| | | ClearStream | Quantum Murray | | | | |
| Revenues | 6,718 | 133,714 | 36,812 | 9,800 | - | (14,527) | 172,517 |
| Cost of revenues | (4,249) | (103,975) | (27,076) | (6,212) | - | 9,599 | (131,913) |
| Gross profit | 2,469 | 29,739 | 9,736 | 3,588 | - | (4,928) | 40,604 |
| Selling, general and administrative | (3,262) | (14,064) | (8,614) | (2,839) | (972) | 3,923 | (25,828) |
| Amortization of intangible assets | - | (1,418) | (308) | - | (6) | 20 | (1,712) |
| Depreciation | (112) | (2,165) | (1,110) | (116) | (3) | 139 | (3,367) |
| Income from long-term investments | - | - | - | - | - | 804 | 804 |
| Interest expense | (17) | (2,500) | (157) | (178) | (3,666) | 21 | (6,497) |
| Transaction costs | - | - | - | - | (2,706) | - | (2,706) |
| (Loss) Income before income taxes | (922) | 9,592 | (453) | 455 | (7,353) | (21) | 1,298 |
| Income tax (expense) recovery - current | - | (21) | - | - | - | 21 | - |
| Income tax (expense) recovery - deferred | (7) | 234 | 1,026 | - | (1,896) | - | (643) |
| Net (loss) income | (929) | 9,805 | 573 | 455 | (9,249) | - | 655 |
| Add back: | | | | | | | - |
| Interest expense | 17 | 2,500 | 157 | 178 | 3,666 | (21) | 6,497 |
| Amortization | - | 1,418 | 308 | - | 6 | (20) | 1,712 |
| Depreciation | 112 | 2,165 | 1,110 | 116 | 3 | (139) | 3,367 |
| Income tax (recovery) expense - current | - | 21 | - | - | - | (21) | - |
| Income tax expense (recovery) - deferred | 7 | (234) | (1,026) | - | 1,896 | - | 643 |
| EBITDA | (793) | 15,675 | 1,122 | 749 | (3,678) | (201) | 12,874 |
| Total assets as at: June 30, 2014 | 14,603 | 257,211 | 87,967 | 23,209 | 23,916 | (8,960) | 397,946 |
| Total liabilities as at: June 30, 2014 | 8,063 | 126,946 | 54,090 | 21,735 | 133,627 | (8,960) | 335,501 |

(In thousands of Canadian dollars)

| Six months ended June 30, 2014 | Marketing | Industrial Services | | Other | Corporate | Eliminations | Total |
|---|---|---|---|---|---|---|---|
| | | ClearStream | Quantum Murray | | | | |
| Revenues | 13,363 | 272,372 | 68,637 | 23,086 | - | (32,403) | 345,055 |
| Cost of revenues | (8,370) | (215,465) | (50,524) | (15,067) | - | 21,687 | (267,739) |
| Gross profit | 4,993 | 56,907 | 18,113 | 8,019 | - | (10,716) | 77,316 |
| Selling, general and administrative | (6,122) | (29,051) | (16,521) | (5,883) | (1,953) | 8,184 | (51,346) |
| Amortization of intangible assets | - | (2,837) | (603) | - | (12) | 21 | (3,431) |
| Depreciation | (221) | (4,263) | (2,260) | (238) | (6) | 298 | (6,690) |
| Income from long-term investments | - | - | - | - | - | 2,146 | 2,146 |
| Interest expense | (27) | (5,035) | (228) | (358) | (9,254) | 40 | (14,862) |
| Transaction costs | - | - | - | - | (2,706) | - | (2,706) |
| (Loss) Income before income taxes | (1,377) | 15,721 | (1,499) | 1,540 | (13,931) | (27) | 427 |
| Income tax expense - current | - | (27) | - | - | - | 27 | - |
| Income tax (expense) recovery - deferred | (7) | 42 | 1,417 | - | 920 | - | 2,372 |
| Net (loss) income | (1,384) | 15,736 | (82) | 1,540 | (13,011) | - | 2,799 |
| Add back: | | | | | | | - |
| Interest expense | 27 | 5,035 | 228 | 358 | 9,254 | (40) | 14,862 |
| Amortization | - | 2,837 | 603 | - | 12 | (21) | 3,431 |
| Depreciation | 221 | 4,263 | 2,260 | 238 | 6 | (298) | 6,690 |
| Income tax expense - current | - | 27 | - | - | - | (27) | - |
| Income tax expense (recovery) - deferred | 7 | (42) | (1,417) | - | (920) | - | (2,372) |
| EBITDA | (1,129) | 27,856 | 1,592 | 2,136 | (4,659) | (386) | 25,410 |
| Total assets as at: June 30, 2014 | 14,603 | 257,211 | 87,967 | 23,209 | 23,916 | (8,960) | 397,946 |
| Total liabilities as at: June 30, 2014 | 8,063 | 126,946 | 54,090 | 21,735 | 133,627 | (8,960) | 335,501 |

(In thousands of Canadian dollars)

| Three months ended June 30, 2013 | Marketing | Industrial Services | | Other | Corporate | Eliminations | Total |
|---|---|---|---|---|---|---|---|
| | | ClearStream | Quantum Murray | | | | |
| Revenues | $ 8,196 | $139,690 | $ 34,437 | $ 11,858 | $ - | $ (16,844) | $177,337 |
| Cost of revenues | (5,246) | (110,884) | (28,365) | (8,117) | - | 11,475 | (141,137) |
| Gross profit | 2,950 | 28,806 | 6,072 | 3,741 | - | (5,369) | 36,200 |
| Selling, general and administrative | (2,538) | (14,790) | (6,496) | (2,879) | (1,336) | 4,151 | (23,888) |
| Amortization of intangible assets | (782) | (1,458) | (446) | - | (11) | - | (2,697) |
| Depreciation | (112) | (2,574) | (1,473) | (118) | (3) | 397 | (3,883) |
| Income from equity investment | - | - | - | - | - | 989 | 989 |
| Interest expense | (37) | (3,000) | (75) | (178) | (4,936) | (216) | (8,442) |
| (Loss) income before income taxes | $ (519) | $ 6,984 | $ (2,418) | $ 566 | $ (6,286) | $ (48) | $ (1,721) |
| Income tax expense - current | - | 41 | - | 8 | (10) | 11 | 50 |
| Income tax recovery (expense) - deferred | 180 | 323 | (148) | (22) | (749) | 37 | (379) |
| Net (loss) income | $ (339) | $ 7,348 | $ (2,566) | $ 552 | $ (7,045) | $ - | $ (2,050) |
| Add back: | | | | | | | |
| Interest expense | 37 | 3,000 | 75 | 178 | 4,936 | 216 | 8,442 |
| Amortization | 782 | 1,458 | 446 | - | 11 | - | 2,697 |
| Depreciation | 112 | 2,574 | 1,473 | 118 | 3 | (397) | 3,883 |
| Income tax expense - current | - | (41) | - | (8) | 10 | (11) | (50) |
| Income tax (recovery) expense - deferred | (180) | (323) | 148 | 22 | 749 | (37) | 379 |
| EBITDA | $ 412 | $ 14,016 | $ (424) | $ 862 | $ (1,336) | $ (229) | $ 13,301 |
| Total assets as at: December 31, 2013 | 14,650 | 251,451 | 83,993 | 25,189 | 37,265 | (10,024) | 402,524 |
| Total liabilities as at: December 31, 2013 | 6,459 | 137,033 | 54,150 | 23,431 | 155,435 | (10,024) | 366,484 |

(In thousands of Canadian dollars)

| Six months ended June 30, 2013 | Marketing | Industrial Services | | Other | Corporate | Eliminations | Total |
|---|---|---|---|---|---|---|---|
| | | ClearStream | Quantum Murray | | | | |
| Revenues | $ 16,213 | $254,997 | $ 59,449 | $ 25,161 | $ - | $ (35,627) | $320,193 |
| Cost of revenues | (10,370) | (204,511) | (48,482) | (17,213) | - | 24,232 | (256,344) |
| Gross profit | 5,843 | 50,486 | 10,967 | 7,948 | - | (11,395) | 63,849 |
| Selling, general and administrative | (5,100) | (28,853) | (13,378) | (5,647) | (2,480) | 8,217 | (47,241) |
| Amortization of intangible assets | (1,564) | (2,925) | (892) | - | (23) | - | (5,404) |
| Depreciation | (239) | (4,356) | (3,013) | (238) | (242) | 328 | (7,760) |
| Income from equity investment | - | - | - | - | - | 2,770 | 2,770 |
| Interest expense | (24) | (5,900) | (126) | (351) | (10,233) | 36 | (16,598) |
| (Loss) income before income taxes | $ (1,084) | $ 8,452 | $ (6,442) | $ 1,712 | $ (12,978) | $ (44) | $ (10,384) |
| Income tax expense - current | - | (100) | - | - | (9) | - | (109) |
| Income tax (expense) recovery - deferred | 429 | 911 | 35 | (30) | 1,151 | 44 | 2,540 |
| Net (loss) income | $ (655) | $ 9,263 | $ (6,407) | $ 1,682 | $ (11,836) | $ - | $ (7,953) |
| Add back: | | | | | | | |
| Interest expense | 24 | 5,900 | 126 | 351 | 10,233 | (36) | 16,598 |
| Amortization | 1,564 | 2,925 | 892 | - | 23 | - | 5,404 |
| Depreciation | 239 | 4,356 | 3,013 | 238 | 242 | (328) | 7,760 |
| Income tax expense - current | - | 100 | - | - | 9 | - | 109 |
| Income tax expense (recovery) - deferred | (429) | (911) | (35) | 30 | (1,151) | (44) | (2,540) |
| EBITDA | $ 743 | $ 21,633 | $ (2,411) | $ 2,301 | $ (2,480) | $ (408) | $ 19,378 |
| Total assets as at: December 31, 2013 | 14,650 | 251,451 | 83,993 | 25,189 | 37,265 | (10,024) | 402,524 |
| Total liabilities as at: December 31, 2013 | 6,459 | 137,033 | 54,150 | 23,431 | 155,435 | (10,024) | 366,484 |

## 9. Comparative figures

As a result of the change in accounting treatment of the results of two joint operations at ClearStream, the comparative consolidated interim loss and comprehensive loss and cash flows have been reclassified from financials statements previously presented to conform to the June 30, 2014 consolidated financial statements.

## 10. Subsequent Events

On July 25, 2014, Tuckamore announced that it had entered into a subscription agreement with Orange Capital Master I Ltd. ("Orange Capital") to sell $12.5 million of common shares of the Company to Orange Capital for a price not lower than $0.75 per share, resulting in the issuance of no more than 16,666,667 shares (the "Private Placement").

On August 1, 2014, following repeated submissions by Access Holdings Management Company LLC ("Access"), the Toronto Stock Exchange ("TSX") confirmed its conditional approval of the Private Placement. Access has indicated its intention to appeal the decision of the TSX, and on August 1, 2014 commenced an application before the Ontario Securities Commission (the "OSC") to consider a temporary cease trade order in respect of the Private Placement. The OSC dismissed this application on the basis that Tuckamore's counsel undertake that the company will effect an unwind of the Private Placement in circumstance where Access actually appeals the TSX decision and is successful on such appeal.

On August 1, 2014, and in accordance with the decision of the OSC, Tuckamore completed the Private Placement at a price of $0.80 per share for total gross proceeds of $13.3 million. As previously disclosed, Tuckamore has obtained approval from the lenders under its senior secured credit facilities to extend the maturity date thereunder from March 9, 2015 to December 31, 2015, which extension will become effective upon the prepayment of outstanding indebtedness thereunder using the net proceeds of the Private Placement.