TUCKAMORE CAPITAL MANAGEMENT INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS
March 21, 2013

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

All amounts in this MD&A are in Canadian dollars and expressed in thousands of dollars unless otherwise noted. The accompanying audited annual consolidated financial statements of Tuckamore have been prepared by and are the responsibility of management. The contents of this MD&A have been approved by the Board of Directors of Tuckamore on the recommendation of its Audit Committee. This MD&A is dated March 21, 2013 and is current to that date unless otherwise indicated.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A makes reference to certain measures that are not defined in IFRS and contains forward-looking information. These measures do not have any standard meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

Capitalized terms are defined terms, their meaning is explained in the "Definitions" section located on page 39, and references to "we", "us", "our" or similar terms, refer to Tuckamore, unless the context otherwise requires.

INDEX

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 "2013 Outlook" presented. Readers are cautioned that this information may not be appropriate for any other purpose.

Non-standard measures

The terms ''EBITDA'', "Adjusted EBITDA" and non-cash interest expense (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 (recovery). 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 and income taxes. Tuckamore has provided a reconciliation of income (loss) from continuing operations to EBITDA in its MD&A.

Adjusted EBITDA refers to EBITDA excluding the gain or loss on reduction or sale of ownership interest (dilution gains or losses), the write-down of goodwill and intangible assets, restructuring costs, gain on re-measurement of investments, gain/loss on extinguishment / de-recognition of debt, fair value adjustments on stock based compensation expense and the impairment of long-term investments. Tuckamore has used Adjusted EBITDA as the basis for the analysis of its past operating financial performance. Adjusted EBITDA is used by Tuckamore and management believes it is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures, and income taxes. Adjusted EBITDA is a measure that management believes facilitates the comparability of the results of historical periods and the analysis of its operating financial performance which may be useful to investors.

Investors are cautioned that the Non-GAAP 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-GAAP 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 industry segments. All of Tuckamore's operations, assets and employees are located in Canada. In addition to the segments listed below, the corporate segment reflects head office administrative and financing costs incurred by Tuckamore. Tuckamore utilizes EBITDA as a performance measure for its operating partners and segment results.

Operating Partner by Industry Segment	Business Description	Ownership Interest
Marketing		
Gemma	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 close-out, discount and refurbished consumer electronics and household goods in Ontario.	36%
Titan	Distributor of rigging and wear products to the oil and gas, transportation, pipeline, construction, mining and forestry industries.	92%

2012 RESULTS

SUMMARY RESULTS FROM CONTINUING OPERATIONS ($000s)

	For Year Ended December 31,		
	2012	2011	2010
Revenues	$ 757,407	$ 627,612	$ 441,788
Cost of revenues	(611,194)	(489,805)	(346,643)
Gross profit	146,213	137,807	95,145
Selling, general and administrative expenses	(107,790)	(96,210)	(76,283)
Amortization expense	(10,826)	(15,710)	(10,828)
Depreciation expense	(15,177)	(12,493)	(10,310)
Income from equity investments	-	252	590
Interest expense, net	(32,827)	(33,056)	(33,467)
Gain on re-measurement of investment	-	7,281	83,757
Gain on bargain purchase	-	709	-
(Loss) gain on extinguishment / de-recognition of debt	(1,534)	37,451	-
Restructuring costs	(861)	-	-
Fair value adjustment on stock based compensation expense	-	(883)	220
Transaction costs	-	(2,638)	(321)
Write-down of long-term investments	-	(6,081)	-
Write-down of goodwill and intangible assets	(9,268)	-	(8,218)
Income tax expense - current	(775)	(23)	(400)
Income tax recovery (expense)- deferred	5,320	(2,768)	8,410
Income (loss) from continuing operations	$ (27,525)	$ 13,638	$ 48,295
Add:			
Amortization	10,826	15,710	10,828
Depreciation	15,177	12,493	10,310
Interest expense, net	32,827	33,056	33,467
Income tax expense - current	775	23	400
Income tax (recovery) expense - deferred	(5,320)	2,768	(8,410)
EBITDA	$ 26,760	$ 77,688	$ 94,890
Gain on re-measurement of investment	-	(7,281)	(83,757)
Loss (gain) on extinguishment / de-recognition of debt	1,534	(37,451)	-
Gain on bargain purchase	-	(709)	-
Fair value adjustment on stock based compensation expense	-	883	(220)
Restrucuring costs	861	-	-
Write-down of long-term investments	-	6,081	-
Write-down of goodwill and intangible assets	9,268	-	8,218
Adjusted EBITDA	$ 38,423	$ 39,211	$ 19,131

	For Year Ended December 31		
	2012	2011	2010
Total assets	$ 428,133	$ 456,035	$ 432,638
Senior credit facility	89,300	95,705	86,939
Secured debentures	152,860	146,314	-
Unsecured debentures	18,781	14,215	-
Convertible debentures	-	-	159,829
Unitholders' Equity	-	-	43,515
Shareholders' equity	53,251	77,638	-

2012 RESULTS COMMENTARY

Tuckamore's continuing operations are reported in its three industry segments: Marketing, Industrial Services and Other. Revenues for the year ended December 31, 2012 were $757,407 compared to $627,612 in 2011 and $441,788 in 2010, an increase of 20.7% from 2011 and 71.3% from 2010. ClearStream was the primary driver, with all divisions reporting increased business volumes in 2012. Quantum Murray had increased revenues due to the increase in ownership in September 2011; however business volumes were down compared to the prior two years. The 2012 revenues were significantly higher than 2010, due to Tuckamore's increase in ownership in ClearStream and Quantum Murray in late 2010 and 2011.

Gross profit for the year ended December 31, 2012 was $146,213**,** compared to $137,807 in 2011 and $95,145 in 2010. Gross margins were 19.3% in 2012, compared to 22.0% in 2011 and 21.5% in 2010. The decrease in gross margin in 2012 was primarily due to project losses recorded at in the Demolition division at Quantum Murray.

For the year ended December 31, 2012, these three operating segments produced $45,305 of Adjusted EBITDA for Tuckamore compared to $52,849 in 2011 and $32,114 in 2010. Refer to the chart on the following page for Adjusted EBITDA by operating partner.

Corporate costs for the year ended December 31, 2012 were $6,882 compared to $13,638 in the prior year and $12,983 in 2010. The decrease in 2012 reflects the costs incurred in 2011 and 2010 related to the conversion to a corporation and professional fees incurred for the transition to IFRS and a reduction in compensation at the senior management level.

Non-cash items that impacted the results were depreciation and amortization, deferred income taxes, gains on remeasurement of investment and gain / loss on extinguishment / de-recognition of debt. Depreciation and amortization was $26,003 for the year ended December 31, 2012, compared to $28,203 for 2011 and $21,138 for 2010. Gain on re-measurement of investment relates to step acquisition accounting under IFRS for transactions where control of an investment is obtained. In 2011, a remeasurement gain of $7,281 was recorded for the Quantum Murray acquisition. Tuckamore also recognized a bargain purchase gain of $709 on this transaction, as the fair value of the net assets acquired exceeded the cash consideration paid. Tuckamore previously owned 64.3% of Quantum Murray and as such, Tuckamore was able to acquire the minority share at a small discount to fair value. In 2010, a remeasurement gain of $83,757 was recorded on the acquisition of the remaining 20% of ClearStream and Gemma.

During the year ended December 31, 2012, $5,067 of brand related to various subsidiaries of ClearStream was written down due to the implementation of a rebranding strategy, which was put into place to improve the market presence and brand strength of the organization

At Gemma, goodwill of $4,201 was impaired for the year ended December 31, 2012 as a result of the anticipated impact of declines in the volume of business from a significant customer.

The refinancing of Tuckamore's convertible debentures and interest owing thereon and the subordinated revolving credit facility resulted in the issue of new secured and unsecured debentures. The new debentures were recorded at their respective fair values, in the first quarter of 2011, which were determined based on the weighted average trading prices over a given period. The difference between the fair value of the new debentures and the carrying value of the convertible debentures and related interest and the subordinated revolving credit facility, less all transaction costs, were recorded in the income statement as a gain on extinguishment of debt of $37,451.

On March 9, 2012 Tuckamore completed an assignment to the Bank of Montreal ("BMO") of its senior credit facility from Marret. This assignment of the Senior Credit facility to BMO was considered 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 extinguished credit facility.

For the year ended December 31, 2012, interest costs were $21,715, compared with $24,980 in 2011 and $33,467 in 2010. Non-cash accretion expense was $11,112 for 2012 compared to $8,076 in 2011 and $3,693 in 2010. Accretion expense relates to the new secured and unsecured debentures, which have been 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 year ended December 31, 2012, the operating segments had capital expenditures and capital lease payments of $10,610 compared to $7,684 in 2011 and $8,554 in 2010. The majority of these expenditures were incurred in the Industrial Services segment.

The net loss from continuing operations was $27,525 for the year ended December 31, 2012, compared to net income from continuing operations of $13,638 for 2011 and net income from continuing operations of $44,062 for 2010.

Adjusted EBITDA $000s	**2012**	**2011**	**2010**	**2012 vs. 2011**	**2012 vs. 2010**
Marketing					
Gemma	1,661	3,213	3,023	(1,552)	(1,362)
IC Group	1,208	923	592	285	616
	$ 2,869	$ 4,136	$ 3,615	$ (1,267)	$ (746)
Industrial Services					-
ClearStream	37,689	29,716	20,703	7,973	16,986
Quantum Murray	(1,226)	13,781	2,481	(15,007)	(3,707)
	$ 36,463	$ 43,497	$ 23,184	$ (7,034)	$ 13,279
Other					-
Gusgo	2,866	2,027	2,093	839	773
Titan	3,107	2,937	2,191	170	916
Rlogistics	-	252	1,031	(252)	(1,031)
	$ 5,973	$ 5,216	$ 5,315	$ 757	$ 658
Adjusted EBITDA from portfolio oper	$ 45,305	$ 52,849	$ 32,114	$ (7,544)	$ 13,191
Corporate	(6,882)	(13,638)	(12,983)	6,756	6,101
Adjusted EBITDA from operations	$ 38,423	$ 39,211	$ 19,131	$ (788)	$ 19,292

MARKETING

The marketing segment had mixed results for the year ended December 31, 2012. Gemma had a challenging year with lower revenues compared to the two prior years. The decrease in revenues was primarily a result of a reduction in the business volumes from a few key clients. In addition, Gemma experienced increased costs associated with adhering to regulatory changes for certain clients in the financial sector.

IC Group had improved results compared to the prior years. The positive results were directly related to increased sales from existing clients, an overall improvement in margins due to the realization of operational efficiencies and a reduction in the use of external contractors.

INDUSTRIAL SERVICES

Within the Industrial Services division, ClearStream reported solid results while Quantum Murray had a challenging year. At ClearStream, all divisions reported increased revenues as a result of the stimulated oil and gas industry. The percentage revenue gains at the Fabrication and Transportation divisions were the most favorable and on a dollar gain perspective the Industrial services and OilSands divisions had the largest revenue growth. Gross profit improved as a result of the revenue growth however there was some gross margin slippage due to some regional start-up costs and short term business solutions being implemented within the Transportation division to address significant business volume increases.

ClearStream's EBITDA contribution in 2012 was significantly higher than 2010 due to a general improvement in the market as well as the fact that Tuckamore purchased the remaining 20% of ClearStream in December 2010. ClearStream purchased the remaining 20% of Golosky Energy Services in February 2011.

At Quantum Murray, the project losses incurred at the Demolition division significantly impacted the full year results. In the second and third quarters, restructuring measures were undertaken to right size this division and to limit further losses. The negative variance year over year was further impacted by a lower EBITDA contribution in 2012 from the Environmental division which benefitted from several large projects in 2011.

OTHER

Gusgo has improved results over the two prior years due to an increase in business from its largest client and the addition of a new significant client for the full year in 2012. Favourable gross margins have also been realized as a result of achieving operational improvements with a large client.

Titan had improved results over the prior years due to strong demand from the oil sands construction industry and a general improvement in the volume of business from road maintenance contractors in Alberta. These gains were slightly offset by lower demand from the conventional drilling and government market segments.

ACQUISITIONS

Effective January 1, 2011, Tuckamore paid $755 to increase its investment in Morrison Williams by 6.66% to bring total ownership to 86.66%. [see Divestitures]

On February 10, 2011, ClearStream paid $13,813 to increase its investment in Golosky Energy Services ("GES") by purchasing the remaining 20% it did not own. ClearStream now owns 100% of GES.

On September 30, 2011 Tuckamore paid $15,722 to increase its investment in Quantum Murray by 35.7% to bring total ownership to 100%.

DIVESTITURES

In January 2012 ClearStream sold its 40% interest in Waydex to the majority partner for gross proceeds of $2,500 resulting in a nominal accounting loss. Net proceeds were used to repay senior indebtedness in the amount of $2,400.

On June 29, 2012 Tuckamore sold its 80% interest in Armstrong Partnership LP for cash proceeds of $5,366 realizing an accounting gain of $3,186.

On July 27, 2011 Tuckamore sold its 86.66% interest in Morrison Williams Investment Management LP for gross proceeds of $10,107 realizing an accounting gain of approximately $1,505.

On July 28, 2011 Tuckamore sold its 77.5% interest in Baird Macgregor Insurance Brokers LP and its 100% interest in Hargraft Schofield for gross proceeds of $11,250. This results in an accounting gain of approximately $2,540.

On September 8, 2011 Tuckamore had completed the sale of Brompton for net proceeds of $17,373 realizing an accounting gain of $9,055.

The net proceeds from each disposition were used to repay senior indebtedness.

As a result of the five transactions above, the results of Morrison Williams, Baird MacGregor, Hargraft, Brompton and Armstrong are reflected as discontinued operations. The separate reporting of the financial services segment has been eliminated due to the sale of Brompton, Morrison Williams, Baird MacGregor and Hargraft.

SEGMENT OPERATING RESULTS

MARKETING

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

Gemma	-	Outsourced contact centre operator providing outbound revenue generation and inbound customer care services
IC Group	-	Provider of on-line promotional and loyalty programs and a provider of select insurance products

SUMMARY FINANCIAL TABLE ($000S)

	Year Ended December 31,	
	2012	2011
Revenues	$ 36,566	$ 42,931
Cost of revenues	(23,962)	(27,950)
Gross profit	12,604	14,981
Selling, general and administrative expenses	(9,735)	(10,845)
Amortization expense	(3,129)	(3,975)
Depreciation expense	(639)	(670)
Interest expense	(46)	(125)
Write-down of goodwill	(4,201)	-
Income tax expense - current	(90)	-
Income tax recovery - deferred	53	1,768
(Loss) income for the year	$ (5,183)	$ 1,134
Add:		
Amortization	3,129	3,975
Depreciation	639	670
Interest expense	46	125
Income tax expense - current	90	-
Income tax recovery - deferred	(53)	(1,768)
EBITDA	$ (1,332)	$ 4,136
Write-down of goodwill	4,201	-
Adjusted EBITDA	$ 2,869	$ 4,136

(I) REVENUES

Revenues for the Marketing segment were $36,566 during the year ended December 31, 2012, which represents a 14.8% decrease over $42,931 reported for the prior year. The decrease during the year was mostly due to decreased revenue at Gemma where a few key clients have been adjusting their corporate marketing and sales strategies resulting in lower outbound telesales programs at Gemma. IC Group's revenues improved compared to the prior year primarily due to additional services to existing clients.

(II) GROSS PROFIT

Gross profit for the Marketing segment was $12,604, and gross margin percentage was 34.5% for the year ended December 31, 2012 compared to 2011; gross profit of $14,981 and gross margin of 34.9%. The decreased gross profit was a direct result of Gemma's lower revenue and an increase in non-reimbursable training costs.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the year ended December 31, 2012 were $9,735 compared to $10,845 in 2011. These expenses as a percentage of revenues were 26.6% in 2012 compared to 25.3% in 2011. The decrease was primarily due to restructuring costs incurred at Gemma in 2011, which did not reoccur in 2012.

(IV) WRITE-DOWN OF GOODWILL

During the year ended December 31, 2012, goodwill of $4,201 related to Gemma was impaired as a result of the anticipated impact of declines in the volume of business from a significant customer.

INDUSTRIAL SERVICES

The Industrial Services segment includes 100% of the results of ClearStream and Quantum Murray (64.3% until September 30, 2011)

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)

	Year Ended December 31, 2012	2011
Revenues	$ 669,653	$ 536,189
Cost of revenues	(552,640)	$ (428,771)
Gross profit	117,013	107,418
Selling, general and administrative expenses	(80,550)	(63,675)
Amortization expense	(6,973)	(10,404)
Depreciation expense	(14,000)	(11,380)
Interest expense	(12,295)	(11,762)
Gain on bargain purchase	-	709
Gain on re-measurement of investment	-	7,281
Transaction costs	-	(246)
Restructuring costs	(861)	-
Write-down of intangible assets	(5,067)	-
Income tax expense - current	(685)	(9)
Income tax recovery - deferred	3,927	4,541
Income for the year	$ 509	$ 22,473
Add:		
Amortization expense	6,973	10,404
Depreciation expense	14,000	11,380
Interest expense	12,295	11,762
Income tax expense - current	685	9
Income tax recovery - deferred	(3,927)	(4,541)
EBITDA	$ 30,535	$ 51,487
Gain on re-measurement of investment	-	(7,281)
Gain on bargain purchase	-	(709)
Restructuring costs	861	-
Write-down of intangible assets	5,067	-
Adjusted EBITDA	$ 36,463	$ 43,497

INDUSTRIAL SERVICES

	Year Ended December 31,			
	ClearStream		Quantum Murray	
	2012	2011	2012	2011
Revenues	$500,490	$ 370,160	$169,163	$166,029
Cost of revenues	(413,555)	(300,995)	(139,085)	(127,776)
Gross profit	86,935	69,165	30,078	38,253
Selling, general and administrative expenses	(49,246)	(39,203)	(31,304)	(24,472)
Amortization expense	(5,812)	(6,565)	(1,161)	(3,839)
Depreciation expense	(8,491)	(8,326)	(5,509)	(3,054)
Interest expense	(11,948)	(11,292)	(347)	(470)
Gain on bargain purchase	-	-	-	709
Gain on re-measurement of investment	-	-	-	7,281
Transaction costs	-	(246)	-	-
Restructuring costs	-	-	(861)	-
Write-down of intangible assets	(5,067)	-	-	-
Income tax expense - current	(685)	(9)	-	-
Income tax recovery (expense) - deferred	1,900	6,017	2,027	(1,476)
Income (loss) for the year	$ 7,586	$ 9,541	$ (7,077)	$ 12,932
Add:				
Amortization expense	5,812	6,565	1,161	3,839
Depreciation expense	8,491	8,326	5,509	3,054
Interest expense	11,948	11,292	347	470
Income tax expense - current	685	9	-	-
Income tax (recovery) expense - deferred	(1,900)	(6,017)	(2,027)	1,476
EBITDA	$ 32,622	$ 29,716	$ (2,087)	$ 21,771
Gain on re-measurement of investment	-	-	-	(7,281)
Gain on bargain purchase	-	-	-	(709)
Restructuring costs	-	-	861	-
Write-down of intangible assets	5,067	-	-	-
Adjusted EBITDA	$ 37,689	$ 29,716	$ (1,226)	$ 13,781

(I) REVENUES

Revenues from the Industrial Services segment were $669,653 for the year ended December 31, 2012 compared with $536,189 in the prior year, which reflects an increase of 24.9%.

Revenues at ClearStream were $500,490 for the year ended December 31, 2012 compared with $370,160 in the prior year, which reflects an increase of 35.2%.

The improvement in revenues at ClearStream reflected increased business volumes across all divisions. The largest increases were in the maintenance service divisions with increased business from existing clients as well as new business wins. The Fabrication division benefited from orders for components of new infrastructure projects, and increasing volumes of pipe logistics business drove the improvement in the Transportation division.

Revenues at Quantum Murray were $169,163 for the year ended December 31, 2012 compared with $166,029 in the prior year, which reflects an increase of 1.9%.

Tuckamore reported increased revenues for Quantum Murray however this was due to Tuckamore's increasing its ownership from 64% to 100% in Quantum Murray in September 2011. Overall business volumes were down 25%

at Quantum Murray compared to 2011. The major decrease in revenues was at the Demolition division. Following losses on demolition projects in early 2012, a business decision was made to suspend bidding on new demolition projects until an assessment was completed on the estimating and project management processes within the division. This resulted in minimal bidding from the second quarter of 2012. Further, revenue volumes at the Environmental division were reduced from 2011, primarily in remediation services where several larger projects which commenced in 2011 were completed in early 2012. Metals division revenues were slightly reduced from 2011 reflecting lower volumes of scrap metals from internal demolition projects.

(II) GROSS PROFIT

Gross profit was $117,013 for the year ended December 31, 2012 compared with $107,418 in 2011. Gross profit margin was 17.5% compared to 20.0% in 2011.

At ClearStream, gross profit was $86,935 for the year ended December 31, 2012 compared with $69,165 in 2011. Gross profit margin was 17.4% compared to 18.7% in 2011. Within the conventional oil and gas maintenance division, ClearStream experienced start up costs with a large new client in Northern B.C., as well as one loss leader project in Southern Alberta. In the Fabrication division one larger project had lower margins and there were some short term higher operating costs incurred to handle additional volumes at the Transportation division.

At Quantum Murray, gross profit was $30,078 for the year ended December 31, 2012 compared with $38,253 in 2011. Gross profit margin was 17.8% compared to 23.0% in 2011.

At Quantum Murray, gross margins were significantly impacted by cost overruns and scrap metal revenue shortfalls on two larger projects within the Demolition division. Margins within the Environmental division were maintained on lower revenues, and there was some margin pressure at the Metals division due to scrap metal price fluctuations.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $80,550 for the year ended December 31, 2012 compared to $63,675 in 2011.

ClearStream’s selling, general and administrative expenses were $49,246 for the year ended December 31, 2012 compared to $39,203 in 2011. Selling, general and administrative expenses as a percentage of revenues were 9.8% for the year ended December 31, 2012 compared to 10.6% in 2011. Increases in these expenses in 2012 reflected increases in salaried resources and related overhead in the areas of project management, quality control, safety, and human resources, all required to manage the increase in additional revenues.

Quantum Murray’s selling, general and administrative expenses were $31,304 for the year ended December 31, 2012 compared to $24,472. Although selling, general and administrative expenses were reduced 6% year over year taking the ownership increase into account, on a percentage of revenue basis were 18.5% for the year ended December 31, 2012 compared to 14.7% in 2011. The percentage increase does reflect the significant decrease in revenue, primarily at the demolition division, although some costs were rationalized as part of restructuring of that division.

(IV) GAIN ON REMEASUREMENT

On September 30, 2011, Tuckamore acquired the remaining 35.7% interest in Quantum Murray to bring Tuckamore's ownership to 100%. As a result of the acquisition of control, Tuckamore's existing investment has been revalued resulting in a gain of $7,281, as well as a gain on the purchase of the remaining interest of $709. The valuation estimates and gain calculations were preliminary at the end of 2011, and were finalized during 2012, with all the gains recorded effective September 30, 2011.

(V) RESTRUCTURING COSTS

The losses incurred in the Demolition division of Quantum Murray in the first and second quarters of 2012 resulted in an in-depth review of the division, its processes and its staffing. Until that review was complete, bidding on new work was suspended, and the group was right-sized to handle only the completion of work in place. One-time costs incurred, including severance costs were $861.

(VI) WRITE-DOWN OF INTANGIBLE ASSETS

Following the rebranding of the business under the ClearStream brand, management assessed the carrying value of the former divisional brands and as such a write-off of $5,067 was recorded for brands that were no longer being used.

(VII) 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 (91.9%). This segment also includes income from Tuckamore's equity investment in Rlogistics (36.0%)

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

Summary Financial Table ($000s)

	Year Ended December 31,	
	2012	2011
Revenues	$ 51,188	$ 48,492
Cost of revenues	(34,592)	(33,084)
Gross profit	16,596	15,408
Selling, general and administrative expenses	(10,623)	(10,444)
Amortization expense	-	(1,097)
Depreciation expense	(535)	(442)
Income from equity investments	-	252
Interest expense	(716)	(697)
Write-down of long-term investments	-	(6,081)
Income tax (expense) recovery - deferred	(100)	91
Income (loss) for the year	$ 4,622	$ (3,010)
Add:		
Amortization expense	-	1,097
Depreciation expense	535	442
Interest expense	716	697
Write-down of long-term investments	-	6,081
Income tax expense (recovery) - deferred	100	(91)
Adjusted EBITDA	$ 5,973	$ 5,216

(I) REVENUES

Revenues for the other segment were $51,188 for the year ended December 31, 2012, compared to $48,492 in the prior year, which reflects an increase of 5.6%. Both Titan and Gusgo had increased revenues. Titan in particular had a positive year due to strong demand from the oil sands construction industry and a general improvement in the volume of business from road maintenance contractors in Alberta . Gusgo's revenues are also improved reflecting business from a new significant client.

(II) GROSS PROFIT

Gross profit was $16,596 for the year ended December 31, 2012, compared with $15,408 for 2011. Gross profit margin was 32.4% for the year ended December 31, 2012 and is comparable to 31.8% for the prior year. The increase in gross profit margins was primarily at Gusgo where a price increase and lower storage costs contributed to a more favourable result year over year. Titan's gross margin percentage was comparable to the prior year despite significant competitive pressures particularly in rigging products.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $10,623 for the year ended December 31, 2012, compared with $10,444 for 2011. These expenses as a percentage of revenues were 20.8%, compared to 21.5% in the prior year. The decrease was primarily at Titan where they experienced favourable labour recoveries.

(IV) INCOME FROM EQUITY INVESTMENTS

Income from equity investments related to Tuckamore's ownership share of Rlogistics was $0 for the year ended December 31, 2012 versus $252 for the prior year.

(V) IMPAIRMENT

The Company reviews its long-term investments for possible impairment on an annual basis, or more frequently if there is an event which in the view of the management would trigger an earlier review. At December 31, 2011 management determined that the carrying value of its investment in Rlogistics was impaired due to a decline in earnings. In addition, cash to be distributed by Rlogistics and recorded as receivable by the Company, is required to be retained by Rlogistics to support the working capital needs of the business. As a result, at December 31, 2011 the Company recorded a write off of $6,081 representing the carrying value of its equity investment in this business and distributions receivable, net of a reduction in a tax liability.

CORPORATE

The Corporate segment includes head office management, administrative and legal costs, as well as interest costs.

SUMMARY FINANCIAL TABLE ($000S)

	Year Ended December 31, 2012	Year Ended December 31, 2011
Selling, general and administrative expenses	$ (6,882)	$ (11,246)
Amortization expense	(724)	(234)
Depreciation expense	(3)	(1)
Interest expense	(19,770)	(20,472)
(Loss) gain on extinguishment / de-recognition of debt	(1,534)	37,451
Fair value adjustment to stock based compensation expense	-	(883)
Transaction costs	-	(2,392)
Income tax expense - current	-	(14)
Income tax recovery (expense) - deferred	1,440	(9,168)
Loss for the year	$ (27,473)	$ (6,959)
Add:		
Amortization expense	724	234
Depreciation expense	3	1
Interest expense	19,770	20,472
Income tax expense - current	-	14
Income tax (recovery) expense - deferred	(1,440)	9,168
EBITDA	$ (8,416)	$ 22,930
Loss (gain) on debt extinguishment	1,534	(37,451)
Fair value adjustment to stock based compensation expense	-	883
Adjusted EBITDA	$ (6,882)	$ (13,638)

(I) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $6,882 for the year ended December 31, 2012, compared to $11,246 for 2011. The break-down of selling, general and administrative expenses is as follows:

	Year Ended December 31, 2012	Year Ended December 31, 2011
Salaries and benefits	$ 4,086	$ 5,758
Stock-based compensation expense	1,177	2,509
Audit, accounting and tax	1,168	2,040
Other costs, net	451	939
Selling, general and administrative expenses	$ 6,882	$ 11,246

Decrease in salaries and benefits relate to a reduction in compensation at the senior management level. The reduction in audit, accounting and tax reflects the prior year costs related to the first-time adoption of IFRS.

(II) INTEREST EXPENSE

Total interest expense was $19,770 for the year ended December 31, 2012 compared to $20,472 in the prior year. The decrease in interest expense reflects the interest savings due to lower interest rates on the senior credit facility which was refinanced in March 2012, as well as lower senior indebtedness balances from asset sales in 2012 and 2011. Included in interest expense is the non-cash accretion on the secured and unsecured debentures of $11,112 for the year ended December 31, 2012 compared to $8,076 for the prior year period.

(III) (LOSS) GAIN ON EXTINGUISHMENT / 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 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 extinguished facility for the year ended December 31, 2012.

The refinancing of Tuckamore’s convertible debentures, subordinated revolving credit facility and interest owing thereon in 2011 resulted in the issue of new secured and unsecured debentures. The new debentures were recorded at their estimated fair value at the date of issue, which was calculated using the weighted average of trading prices over a given period. The difference between the fair value of the new debentures and the carrying value of the convertible debentures and subordinated revolving credit facilities and related interest, less all transaction costs, were recorded in the income statement as a gain on debt extinguishment of $37,451 for the year ended December 31, 2011.

(IV) TRANSACTION COSTS

During the year there was $0 (2011 - $2,392) incurred in transaction costs. The prior year expense related to acquisition costs, including the additional ownership interest in Quantum Murray, and conversion to a corporation.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The following table summarizes the major consolidated cash flow components:

December 31		2012		2011
Cash used in operating activities	$	(10,341)	$	(2,342)
Cash provided by investing activities		2,964		2,104
Cash (used in) provided by financing activities		(9,166)		613
Consolidated cash (continuing and discontinued operations)		12,082		28,625

CASH USED IN OPERATING ACTIVITIES

The following table provides a break-down of cash provided by operations, changes in non-cash balances and cash and distributions provided from discontinued operations.

December 31		2012		2011
Cash provided by operations	$	16,873	$	16,465
Changes in non-cash balances				
Accounts receivable		(27,681)		(30,107)
Inventories		11,483		2,117
Prepaid expenses		(1,570)		206
Other current assets		(197)		(119)
Accounts payable, accrued liabilities and provisions		(10,343)		4,630
Deferred revenue		988		745
Decrease in cash due to changes in non-cash balances		(27,320)		(22,528)
Cash and distributions provided by discontinued operations		106		3,721
Cash used in operating activities	$	(10,341)	$	(2,342)

CASH PROVIDED BY INVESTING ACTIVITIES

Cash provided by investing activities totaled $2,964 compared to $2,104 in the prior year period. See table below for further details.

December 31		2012		2011
Acquisition of businesses, net of cash acquired				
Golosky Energy Services, Quantum Murray and Morrison Williams	$	-	$	(31,865)
Purchase of property, plant and equipment		(4,419)		(2,658)
Proceeds on disposition of property plant and equipment		642		968
Proceeds on disposition of businesses		7,866		38,730
Purchase of intangibles		(91)		(852)
Increase in other assets		(1,027)		(2,000)
Cash used in discontinued operations		(7)		(219)
Cash provided by investing activities	$	2,964	$	2,104

CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES

Cash used in financing activities was $9,166 for the year ended December 31, 2012 and cash provided by financing activities was $613 in the prior year.

December 31		2012		2011
Repayment of long-term debt	$	(6,200)	$	(36,973)
Increase in long-term debt		-		46,989
Increase (decrease) in cash held in trust		3,609		(3,108)
Repayment of capital lease obligations		(6,191)		(5,026)
Cash used in discontinued operations		(384)		(1,269)
Cash (used in) provided by financing activities	$	(9,166)	$	613

FINANCING

SUPPORT AGREEMENTS AND ASSIGNMENT OF SENIOR DEBT

On November 30, 2010 Tuckamore announced it had entered into support agreements ("Support Agreements") for comprehensive senior debt and debenture refinancing. These Support Agreements between Marret Asset Management ("Marret"), K2 Associates Investment Management Inc. ("K2") and Tuckamore secured the support of Marret and K2 for (i) the assignment to Marret and amendment of Newport Finance Corp's senior secured credit facility and (ii) an exchange transaction pursuant to which the terms of the indentures for Tuckamore's Debentures would be amended to provide for the mandatory exchange of the Debentures for newly created second lien notes and subordinated unsecured notes of Tuckamore.

On December 20, 2010, Tuckamore announced the successful assignment of senior debt financing to Marret, on behalf of various funds under management ("Marret Lenders").

SECOND AMENDED & RESTATED SENIOR CREDIT AGREEMENT

On March 23, 2011 Tuckamore, through Newport Finance Corp. and Marret Lenders, finalized a second amended and restated senior credit agreement ("ARCA"). The ARCA removed all forbearance conditions. The key terms of the ARCA are: interest rate is 9.5% per annum but may be adjusted downward based on leverage ratios, mandatory repayment of 100% of the net proceeds on sale of investments, subject to the ability to utilize up to $15,000 for specified acquisition purposes in certain circumstances, repayments based on 75% of excess cash flows beginning in the final quarter of 2011, maturity date of December 20, 2013, annual covenants for 2011 and 2012 requiring a minimum EBITDA, senior debt ratio and fixed charge ratios, and similar quarterly covenants through 2013. In addition, the agreement provides for an additional $10,000 advance available for working capital purposes and $5,234 advance for acquisitions. The $10,000 line for working capital purposes was drawn during the second quarter of 2011. Subsequent to the quarter end, Tuckamore agreed with its senior lender that the repayment of the $10,000 would be extended until March 2, 2012. Tuckamore also agreed to repay an additional $25,000 by January 2, 2013, however this requirement was subsequently removed upon signing the third amended and restated senior credit agreement.

Net proceeds from sales of Baird McGregor, Hargraft and Morrison Williams completed in July 2011 totaled $20,573. Of this amount, $5,573 was used to repay senior debt and $15,000 was placed in an escrow deposit account. In August 2011 $2,000 of this amount was drawn for working capital purposes.

On September 28, 2011 net proceeds of $16,400 relating to the sale of Brompton were used to repay senior debt.

On September 30, 2011 Tuckamore completed the acquisition of the 35.7% of Quantum Murray that it did not already own. The acquisition and related transaction costs were funded with $13,000 held in escrow, and additional borrowings of $4,223 from the first delayed draw facility.

On September 30, 2011 $1,000 of the $2,000 drawn for working capital purposes was repaid to the senior lender and on October 31, 2011 Tuckamore repaid the remaining $1,000.

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

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

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 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.

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 extinguished credit facility.

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 December 31, 2012 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.

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.

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 December 31, 2012 total $90,755 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 December 31, 2012.

DEBENTURES

On February 28, 2011, Tuckamore issued a management information circular which provided details of the proposed exchange of the Debentures (the "Exchange"). Under the proposed amendment, the existing Debentures were to be mandatorily exchanged for second lien notes (the "Secured Debentures") and the unpaid accrued interest on the Debentures would be exchanged for unsecured subordinated notes (the "Unsecured Debentures"). At the exchange meeting held on March 18, 2011 the debenture holders voted in favour of the Exchange and, the Secured Debentures and the Unsecured Debentures (the "New Debentures") were issued on March 23, 2011 pursuant to a new indenture agreement.

The aggregate principal amount of the Secured Debentures is $176,228 which satisfies the principal amounts of the Debentures, the subordinated revolving credit facility and related accrued interest on March 23, 2011. The maturity date of the Secured Debentures is March 23, 2016 (the "Secured Debenture Maturity Date"). The interest rate is 8% per annum, payable semi-annually in arrears on June 30 and December 31 in each year until the Secured Debenture Maturity Date. Tuckamore has the right to redeem in cash any or all Secured Debentures outstanding at any time in its sole discretion without bonus or penalty, provided all accrued interest is paid at redemption. Tuckamore is also obligated to redeem a portion of the Secured Debentures prior to the Secured Debenture Maturity Date in certain circumstances based on proceeds from specified dispositions, proceeds from the issuance of equity instruments or based on excess operating cash flow as defined. Tuckamore is unable to estimate amounts repayable in connection with this mandatory redemption provision. The Secured Debentures have a security interest in substantially all of Tuckamore's assets which is subordinated to similar security interests granted in connection with the ARCA or certain debt incurred in the future by Tuckamore's subsidiaries. The Secured Debentures were listed on the TSX on the date of closing of March 23, 2011.

The aggregate principal amount of the Unsecured Debentures is equal to the accrued and unpaid interest on the Debentures at March 23, 2011 of $26,552. The maturity date is March 23, 2014 (the "Unsecured Debenture Maturity Date"). Interest accrues on the principal amount of the Unsecured Debentures at a non-compounding rate of 3.624% per annum, payable in cash at the Unsecured Debenture Maturity Date. Tuckamore will repay the principal amount of the Unsecured Debentures on the Unsecured Debentures Maturity Date either in cash or by delivering common shares of Tuckamore Capital Management Inc. at a conversion price of $0.2254 per common share. The total number of common shares to be issued on the repayment of the Unsecured Debentures is capped at 10% of the outstanding common shares of Tuckamore Capital Management Inc. on the repayment date. The Unsecured Debentures were listed on the TSX on the closing date of March 23, 2011.

For accounting purposes, the exchange transactions are accounted for as extinguishments of the Debentures, the subordinated revolving credit facility, the accrued interest payable under both the Debentures and the Subordinated Revolving Credit Facility. All costs incurred in connection with the issuance of the New Debentures were expensed as a reduction of the gain on extinguishment of $37,451. The Secured Debentures and Unsecured Debentures were initially recorded at their fair value and will be accreted up to the principal amount over the period to the respective Maturity Dates using the effective interest method.

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 which began in the final quarter of 2011. At this time, management does not expect to retire any additional amounts based on the requirements noted above.

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. Increased working capital needs at ClearStream reflect the significant growth of the business.

WORKING CAPITAL

	December 31, 2012	December 31, 2011
Current assets	$ 224,689	$ 233,617
Current liabilities	92,961	115,972
Total w orking capital	$ 131,728	$ 117,645

CAPITAL EXPENDITURES

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

Year ended December 31, 2012	Marketing	ClearStream	Quantum	Other	Corporate	Total
Capital expenditures	$ 204	$ 3,120	$ 997	$ 85	$ 13	$ 4,419
Finance lease repayments	155	3,340	2,340	356	-	$ 6,191
Total capital expenditures	$ 359	$ 6,460	$ 3,337	$ 441	$ 13	$ 10,610

Year Ended December 31, 2011	Marketing	ClearStream	Quantum	Other	Corporate	Total
Capital expenditures	$ 284	$ 1,557	$ 732	$ 59	$ 26	$ 2,658
Finance lease repayments	177	2,897	1,699	253	-	$ 5,026
Total capital expenditures	$ 461	$ 4,454	$ 2,431	$ 312	$ 26	$ 7,684

FOURTH QUARTER 2012 RESULTS

	Quarter Ended December 31, 2012		2011
Revenues	$ 203,214	$	188,116
Cost of revenues	(164,525)		(146,746)
Gross profit	38,689		41,370
Selling, general and administrative expenses	(26,962)		(28,264)
Amortization expense	(2,956)		(2,361)
Depreciation expense	(3,922)		(3,250)
Income (loss) from equity investments	-		(120)
Interest expense	(8,902)		(9,311)
Gain on extinguishment / de-recognition of debt	2,002		-
Restructuring costs	65		-
Transaction costs	-		(345)
Write-down of long-term investment	-		(6,081)
Write-down of goodwill and intangibles	(9,268)		
Income tax expense - current	(131)		(9)
Income tax (expense) recovery - deferred	2,888		(374)
Loss from continuing operations	$ (8,497)	$	(8,745)
Add:			
Amortization expense	2,956		2,361
Depreciation expense	3,922		3,250
Interest expense	8,902		9,311
Income tax expense - current	131		9
Income tax expense (recovery) - deferred	(2,888)		374
EBITDA	$ 4,526	$	6,560
Gain on extinguishment / de-recognition of debt	(2,002)		-
Restructuring costs	(65)		-
Write-down of long-term investment	-		6,081
Write-down of goodwill and intangibles	9,268		-
Adjusted EBITDA	$ 11,727	$	12,641

FOURTH QUARTER RESULTS COMMENTARY

Tuckamore's continuing operations from its portfolio investments are reported in its three industry segments: Marketing, Industrial Services and Other. Revenues for the three months ended December 31, 2012 were $203,214 compared to $188,116 in 2011, an increase of 8.0%. The increase was primarily driven by ClearStream.

Gross profit for the three months ended December 31, 2012 was $38,689 compared to $41,370 in 2011, a decrease of 6.6%. Gross margins were 19.0% for the three months ended December 31, 2012 compared to 22.0% in the 2011 period.

For the three months ended December 31, 2012, these three industry segments produced $12,804 of Adjusted EBITDA for Tuckamore compared to $14,244 in 2011. Refer to the chart below for Adjusted EBITDA by operating partner. During the final quarter, interest costs were $5,975, compared with $5,573 in 2011. Accretion of the secured and unsecured debentures was $2,927 for the fourth quarter of 2012 compared to $3,738 in prior year period. During the three months ended December 31, 2012, the capital expenditures and capital lease payments were $3,070, as compared to $2,073 in the same period in 2011. The majority of these expenditures were incurred in the Industrial Services segments.

Non-cash items that impacted the results were depreciation and amortization, and deferred income taxes. Depreciation and amortization was $6,878 for the three months ended December 31, 2012, compared to $5,881 for 2011. The largest component of this expense is the amortization of intangible assets, which were recorded at fair value due to step acquisitions.

Net loss for the three months ended December 31, 2012 from continuing operations was $6,418 compared to $6,513 in 2011.

Adjusted EBITDA $000s		**Q4 2012**		**Q4 2011**		**2012 vs. 2011**
Marketing						
Gemma		520		981		(461)
IC Group		273		145		128
	$	793	$	1,126	$	(333)
Industrial Services						
ClearStream		11,070		7,891		3,179
Quantum Murray		(877)		3,927		(4,804)
	$	10,193	$	11,818	$	(1,625)
Other						
Gusgo		650		603		47
Titan		1,168		815		353
Rlogistics		-		(118)		118
		1,818		1,300		518
Adjusted EBITDA from portfolio operations	$	12,804	$	14,244	$	(1,440)
Corporate		(1,077)		(1,603)		526
Adjusted EBITDA from operations	$	11,727	$	12,641	$	(914)

INDUSTRIAL SERVICES

The industrial services segment had a mixed quarter with ClearStream reporting significantly improved results and Quantum Murray offsetting these gains with much poorer results.

At ClearStream, all divisions reported increased revenues levels as the trend of a stimulated oil sands and conventional oil and gas market continued into the fourth quarter.

At Quantum Murray the fourth quarter results were well below the prior year quarter which was mostly expected as result of the restructuring of the Demolition division in the second and third quarter. As well, the fourth quarter in 2011 had favorable results due to the impact of several large profitable projects in the completion stages at the Environmental division.

MARKETING

Gemma had a challenging quarter with lower revenues in comparison to the same quarter in the prior year. In the fourth quarter of 2011, Gemma experienced a significant ramp up in hours and revenue based on a short-term campaign for a financial services client. A similar campaign did not reoccur in the fourth quarter of 2012. IC group had improved results compared to the same period in the prior year. The positive results were directly related to increased sales to existing clients and an overall improvement in margins due to the realization of operational efficiencies.

OTHER

Titan had improved results over the same quarter in the prior year due to strong demand from the oil sands construction industry and a general improvement in the volume of business from road maintenance contractors in Alberta. These gains were slightly offset by lower demand from the conventional drilling and government market segments.

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 $72,466 at December 31, 2012 (December 31, 2011 - $76,667).

Intangible assets acquired individually or as part of a group of other assets are recognized and measured at cost. Intangible assets acquired in a transaction, including those acquired in business combinations, are recorded at their fair value. Intangible assets with determinable useful lives, such as customer relationships and contracts, are amortized over their useful lives and are tested for impairment when there is an indicator of impairment. Intangible assets having an indefinite life, such as brands, are not amortized but instead are tested for impairment on an annual or more frequent basis. The net book value of intangible assets was $62,773 at December 31, 2012 (December 31, 2011 - $78,928)

Long-term Investments

Investments over which Tuckamore is able to exercise significant influence are accounted for using the equity method. Under the equity method, the original cost of the investment is adjusted for Tuckamore's share of post-acquisition earnings or losses, less distributions in the case of investments in partnerships and dividends in the case of investments in companies. Investments are written down when there is evidence that a decline in value has occurred. Tuckamore reviews all of its investments for possible impairment on an annual basis, or more frequently if there is an event which in the view of management would trigger an earlier review. During this review in December 2011, it was determined that the investment in Rlogistics had declined in value due to earnings attrition in the year which is expected to continue. As a result Tuckamore recorded a write-off of $6,081, representing the carrying value of its equity investment in this business and distributions receivable, net of a reduction in a tax liability.

Income Taxes and Conversion to a Corporation

A meeting of unitholders was held on March 25, 2011 at which meeting a vote in favour of the conversion to a corporation was passed. Effective April 1, 2011 Tuckamore began operating as a corporation under the name Newport Inc. which was subsequently changed to Tuckamore Capital Management Inc.

Deferred Taxes

Tuckamore has computed deferred income taxes based on temporary differences that are expected to reverse after December 31, 2012. In general, there are no material differences in the values for operating assets and liabilities such as accounts receivable, inventory and trade payables for the Operating Partnerships. There are, however, differences[1], for example between the carrying values of definite life intangibles (e.g. customer contracts) and indefinite life intangibles (e.g. brands) that arise as part of Tuckamore's accounting for its investments in the underlying Operating Partnerships. As one example, under IFRS, Tuckamore records intangible assets related to acquisitions and these assets typically have a lesser value for tax purposes depending on the manner in which the acquisition was structured. In this case, a deferred tax liability would be recorded for the difference. If Tuckamore was to divest one or more of its Operating Partnerships for an amount that is greater than the tax carrying value this would give rise to a taxable income because the proceeds would be greater than the tax value of the assets.

At December 31, 2012 Tuckamore has calculated a deferred tax liability related to differences that are expected to reverse in the future using the applicable estimated tax rate of approximately 26.50%.

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

1 These differences are referred to as either deductible temporary differences or taxable temporary differences and may result in tax-deductible amounts or taxable amounts in future periods and IFRS requires that these differences be recorded.

ADDITIONAL INFORMATION

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations were not yet effective as at January 1, 2012 and have not been applied in preparing the consolidated financial statements. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. IAS 32 is effective for the annual periods beginning on or after January 1, 2014. All other new standards are effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

The following is a brief summary of the new standards:

(i) IFRS 9, Financial Instruments (“IFRS 9”)

In November 2009, the IASB issued IFRS 9, which represented the first phase of its replacement of IAS 39. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows and it removes the need to separately account for certain embedded derivatives. The impact of IFRS 9 on Tuckamore’s consolidated financial statements is not known at this time.

(ii) IFRS 10, Consolidation (“IFRS 10”)

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 supersedes all of the guidance in SIC-12 *Consolidation—Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*. Tuckamore is assessing the impact of IFRS 10 on the Company’s consolidated financial statements.

(iii) IFRS 11, Joint Arrangements (“IFRS 11”)

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers. Tuckamore is assessing the impact of IFRS 11 on the Company’s consolidated financial statements.

(iv) IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. Tuckamore is assessing the impact of IFRS 12 on the Company's consolidated financial statements.

(v) IFRS 13, Fair Value Measurement ("IFRS 13")

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements. Tuckamore is assessing the impact of IFRS 13 on the Company's consolidated financial statements.

(vi) Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, *Separate Financial Statements* (IAS 27), and IAS 28, *Investments in Associates and Joint Ventures* (IAS 28), IFRS 7, *Financial Instruments* and IAS 32 *Financial Instruments: Presentation*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13. IFRS 7 amendments require disclosure about the effects of offsetting financial assets and financial liabilities and related arrangements on an entity's financial position. IAS 32 addresses the inconsistencies when applying the offsetting requirements.

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

	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Revenue	203,214	189,537	191,682	172,974	$188,116	$158,202	$145,060	$136,234
Net Income (loss) from continuing operations	(8,497)	(5,049)	(5,569)	(8,410)	(8,745)	4,217	(2,861)	21,027
Net income (loss)	(8,497)	(5,049)	(3,620)	(8,397)	(9,625)	17,733	(74)	21,532
Income (loss) per share unit from continuing operations	(0.11)	(0.07)	(0.08)	(0.12)	(0.12)	0.06	(0.04)	0.29
Income (loss) per share ur	(0.11)	(0.07)	(0.06)	(0.12)	(0.13)	0.25	(0.01)	0.30

The quarterly results have been restated to remove operations from revenue and net income (loss) from continuing operations.

CONTINGENCIES

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 these claims are without merit and as such they are being rigorously defended.

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 December 31, 2012 directors, officers and employees, and operating partners related to Tuckamore beneficially hold an aggregate of 18,598,812 units or 21.7% on a fully diluted basis.

TRANSACTIONS

Tuckamore provides funding to the Operating Partnerships to fund working capital requirements. Advances bear interest at the rate of prime plus one percent, are unsecured and are due on demand.

Included in Other Assets are advances of $1,359 (December 31, 2011 – $1,520) made to the Operating Partnerships, based on the percentage not owned by the Company.

Selling, general and administrative expenses include $638 of rent expense paid to related parties of Gusgo for the year ended December 31, 2012 (2011-$568). These transactions occurred in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to between the parties.

Tuckamore shares space and services with a business which employs two of the directors of Tuckamore, and paid $176 during the year ended December 31, 2012 (2011-$167). One of Tuckamore’s board members is a member of the executive team for a client of Gemma. Revenues in the amount of $14,200 were realized from this client during the year ended December 31, 2012. One of Tuckamore’s board members is a senior partner at a vendor from which Tuckamore obtains services. Total expenses for services obtained during the year amount to approximately $1,900, of which approximately $900 remains payable at December 31, 2012.

Loans made to current and former employees of Tuckamore were outstanding in the amount of $1,335 (December 31, 2011 – $1,572). In accordance with the terms and conditions of the loans, the loans are interest bearing and used to fund the purchase of shares of Tuckamore or to refinance such purchases and are secured by a pledge of the shares.

2013 OUTLOOK

At ClearStream, there is a strong business outlook. There are continuing high levels of activity in both the oilsands and the conventional oil and gas sectors which should translate into significant levels of maintenance services work. While project work volumes can be more volatile than maintenance work, the wear and fabrication divisions are currently busy and there are positive signs that this will continue. In addition, our transportation and pipe logistics division benefits across the board from increased activity levels. Tuckamore and ClearStream management will work closely to address the working capital needs of the business.

At Quantum Murray there will be a continued focus on project bidding and cost management at the Demolition division. There are large industrial abatement and demolition projects to be won, particularly in Alberta and there is a consistent amount of revenue backlog within the remediation group at the environmental division. The metals division is expected to be a contributor but there is risk of a potential decline in scrap metal prices.

In the Marketing segment, the outlook is for improved results over 2012. At Gemma, there are significant efforts underway to attract new clients and diversify the existing base. Recent new client wins are encouraging but need to continue. At IC Group, existing clients are expanding their loyalty programs to different regions and additional product lines which should bode well as IC Group works to lever its platform.

In the Other segment, both Titan and Gusgo are expecting good results, comparable to 2012. Titan should benefit from continued strong business activity in Alberta in both the construction and oil and gas sectors, and Gusgo is expecting consistent business volumes from its stable customer base.

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

An investment in shares of Tuckamore involves a number of risks. In addition to the other information contained in this MD&A and Tuckamore's other publicly filed disclosure documents, investors should give careful consideration to the following factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this MD&A. Any of the matters highlighted in these risk factors could have a material adverse effect on Tuckamore's results of operations, business prospects or financial condition.

Tuckamore's financial results are impacted by the performance of each of its Operating Partnerships and various external factors influencing their operating environments. While stronger performance by one of the Operating Partnerships may compensate for weaker performance by another of the Operating Partnerships, any negative effects on the financial condition or results of operations of an Operating Partnership have a negative effect on the financial condition or results of operations of Tuckamore.

Please refer to the AIF dated March 22, 2013 for a discussion of Risk Factors particular to the Operating Partnerships and Tuckamore.

LEVERAGE AND RESTRICTIVE COVENANTS

The degree to which Tuckamore is leveraged could have important consequences to shareholders, including the following: (i) the ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; (ii) a material portion of Tuckamore's cash flow from operations may need to be dedicated to payment of the principal of and interest on indebtedness, thereby reducing funds available for future operations (iii) Tuckamore may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures. Tuckamore's ability to make scheduled payments of principal and interest on, or to refinance, its indebtedness will depend on its future operating performance and cash flows, which are subject to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control.

The ARCA contains restrictive covenants customary for credit facilities of this nature, including covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability to incur additional indebtedness, to pay dividends or make certain other payments, and to make additional acquisitions. In addition, the ARCA contains a number of financial covenants that require Tuckamore to meet certain financial ratios and financial tests. A failure to comply with the obligations in the ARCA could result in an event of default that, if not cured or waived, could permit acceleration of the relevant indebtedness. If the indebtedness under the ARCA were to be accelerated, there can be no assurance that the assets of Tuckamore would be sufficient to repay in full that indebtedness. At December 31, 2012 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.

FAILURE TO REALIZE ANTICIPATED BENEFITS OF INVESTMENTS MADE

Tuckamore and a number of its Operating Partnerships may partner with additional entrepreneurs in the future. The ability to identify new partnership opportunities and to acquire an ownership interest in new partnerships at attractive prices is not guaranteed. Achieving the benefits of future acquisitions will depend in part on successfully consolidating functions and integrating operations, procedures and personnel of all of the partnerships in a timely and efficient manner. The integration of these future acquisitions will require the dedication of management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the disruption of ongoing business and customer and employee relationships that may adversely affect Tuckamore or an Operating Partnership's ability to achieve the anticipated benefits of future acquisitions.

CONDITION OF CAPITAL MARKETS

While Tuckamore has successfully restructured its balance sheet, the majority of cash flow, and all asset sale proceeds, will be used to fund internal working capital needs or to pay down debt. Tuckamore may in this process look to source a cheaper service of funding; there can be no assurance that this financing will be available when required or available on terms that are favourable to Tuckamore. This has the potential to slow down the repayment of debt.

DEPENDENCE ON KEY PERSONNEL

The success of Tuckamore and of each of its Operating Partnerships depends on their respective senior management teams and other key employees, including their ability to retain and attract skilled management and employees. The loss of the services of key personnel could have a material adverse effect on the business, financial condition, results of operations or future prospects of Tuckamore and its Operating Partnerships. In addition, growth plans may require additional employees, increase the demand on management and produce risks in both productivity and retention levels. Tuckamore and its Operating Partnerships may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance that Tuckamore will be able to effectively manage its future business plan, and any failure to do so could have a material adverse effect on Tuckamore's business, financial condition, results of operations and future prospects.

GENERAL ECONOMIC FACTORS

Tuckamore's business and the business of each of our Operating Partnerships is subject to changes in general economic conditions including but not limited to, recessionary or inflationary trends, equity market levels, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence.

CUSTOMER CONCENTRATION

Some of the Operating Partnerships derive a significant portion of their revenues from a limited customer base. If one or more of the significant customers of an Operating Partnership were to cease doing business with the Operating Partnership, or significantly reduced or delayed its purchase of services, the financial condition and results of operations of such Operating Partnership could be materially adversely affected.

ENVIRONMENTAL LEGISLATION

Environmental matters are subject to regulation under a variety of federal, provincial, territorial, state and municipal laws relating to health and safety and the environment. Management believes that the Operating Partnerships are in material compliance with applicable environmental legislation, however regulation is subject to change and, accordingly, it is impossible to predict the cost of compliance with new laws or the effects that such changes would have on the Operating Partnerships or their future operations.

Management believes that the risk of non-compliance with environmental regulation is greatest for the Operating Partnerships in the Industrial and Other Segments.

DEPENDENCE ON THE OPERATING PARTNERSHIPS

Tuckamore is entirely dependent on the operations and assets of the Operating Partnerships. The ability of Tuckamore to make interest payments or make other payments or advances is subject to applicable laws and contractual restrictions contained in the instruments governing any indebtedness (including the Credit Facility). Tuckamore will not be making payments of dividends for the foreseeable future.

POTENTIAL SALES OF ADDITIONAL SHARES

Tuckamore may issue additional shares or securities exchangeable for or convertible into shares in the future. Such additional shares may be issued without the approval of shareholders. The shareholders will have no pre-emptive rights in connection with such additional issues. Additional issuance of shares will result in the dilution of the interests of shareholders.

INCOME TAX MATTERS

Although Tuckamore, Tuckamore Holdings LP “TH”, the Operating Partnerships and their subsidiaries are of the view that all expenses to be claimed by them in the determination of their respective incomes under the Tax Act is reasonable and deductible in accordance with the applicable provisions of the Income Tax Act, and that the allocation of partnership income for purposes of the Tax Act to the holders of LP Units is reasonable, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that Canada Revenue Agency “CRA” will agree with the expenses claimed or such allocation of partnership income. If CRA successfully challenges the deductibility of such expenses or the allocation of such income, TH’s allocation of taxable income to Tuckamore, and taxable income of the Operating Partnerships and their subsidiaries, may change.

Elections have been made under the Tax Act such that the transactions under which TH acquired its interest in the Operating Partnerships may be effected on a tax-deferred basis. The adjusted cost base of any property transferred to an Operating Partnership pursuant to such agreements may be less than its fair market value, such that a gain may be realized on the future sale of the property.

The acquisitions of Operating Partnerships involved various structuring events to complete the transactions in a tax effective manner. These transactions involved interpretations of the Tax Act which could, if interpreted differently, result in additional tax liabilities.

SHOT-GUN BUY-SELL RIGHTS

Certain of the limited partnership agreements of the Operating Partnerships contain shot-gun buy-sell provisions. The purpose of the shot-gun buy-sell provisions is to provide the parties with a recognized mechanism for solving any fundamental disputes which may develop. If one of the limited partners of the applicable Operating Partnership, other than TH, initiates a shot-gun buy-sell, the general partner of TH will have to decide whether to buy at the offered price, in which case monies may have to be raised, or to sell at the offered price, in which case TH will receive the proceeds of sale, and will use such proceeds to pay down debt. There is no assurance that TH will decide to buy at the offered price or that TH will have sufficient funds to buy at the offered price. Any decision of TH not to buy at the offered price or its inability to buy at the offered price may have a negative impact on Tuckamore. Any purchase or sale by TH pursuant to such shot-gun buy-sell provisions will require consent of the lenders under the Credit Facility. No assurance can be given that such consent will be obtained on acceptable terms or at all should TH decide that it wishes to sell under such shot-gun buy-sell provisions.

Unpredictability and Volatility of Share Price

A publicly traded holding company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the shares will trade cannot be predicted. The market price of the shares could be subject to significant fluctuations in response to variations in quarterly operating results, and other factors. The annual yield on the shares as compared to the annual yield on other financial instruments may also influence the price of the shares in the public trading markets. In addition, the securities markets have experienced significant price and volume fluctuations from time to time in recent years that often have been unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the shares.

Restrictions on potential growth

The use of operating cash flow to fund working capital needs and to reduce debt will make additional capital and operating expenditures somewhat dependent on increased cash flow. Lack of those funds could limit the future growth of the Operating Partnerships and their cash flow.

Prior Ranking Indebtedness

The Debentures will be subordinate to all senior indebtedness. The payment of the principal premium (if any) and interest on the Debentures will be subordinated to senior indebtedness of Tuckamore.

Market Value Fluctuation

Prevailing interest rates will affect the market value of the Debentures, as they carry a fixed interest rate. Assuming all other factors remain unchanged, the market value of the Debentures, which carry a fixed interest rate, will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Dilutive Effects on Holders of Shares

Tuckamore may issue shares as repayment of the Unsecured Debentures. Accordingly, holders of shares may suffer dilution.

Labour

The success of Tuckamore depends on the ability of the Operating Partnerships to maintain their respective productivity and profitability. The productivity and profitability of the Operating Partnerships may be limited by their ability to employ, train and retain the skilled personnel necessary to meet their respective requirements. None of the Operating Partnerships can be certain that they will be able to maintain the adequate skilled labour force necessary to operate efficiently and to support their growth strategies. As well, none of the Operating Partnerships can be certain that their labour expenses will not increase as a result of shortage in the supply of these skilled personnel. Labour shortages or increased labour costs could impair the ability of an Operating Partnership to maintain or grow its respective Operating Partnership.

Regulation

Tuckamore and its Operating Partnerships are subject to a variety of federal, provincial and local laws, regulations, and guidelines and may become subject to additional laws, regulations and guidelines in the future, particularly as a result of acquisitions. The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future which could have a material adverse effect on Tuckamore and its Operating Partnerships' business, financial condition, results of operations and cash flows. Although such expenditures historically have not been material, such laws and regulations are subject to change. Accordingly, it is impossible for Tuckamore or the Operating Partnerships to predict the cost or impact of such laws and regulations on their respective future operations.

Competition

The businesses in which the Operating Partnerships operate are highly competitive. The Operating Partnerships often compete with companies that are much larger and have greater resources than the Operating Partnerships. There can be no assurance that Tuckamore and the Operating Partnerships will be able to successfully compete against their respective competitors or that such competition will not have a material adverse effect on their businesses, financial condition, results of operations and cash flows.

Potential Unknown Liabilities

In connection with the prior formation of Operating Partnerships completed by TH, there may be unknown liabilities assumed by TH through its interests in the Operating Partnerships for which TH may not be indemnified by the prior owner. The discovery of any material liabilities could have a material adverse effect on the business, financial condition, results of operations and future prospects of Tuckamore.

Potential Future Developments

Management of Tuckamore, in the ordinary course of business, regularly explores potential strategic opportunities and transactions. The public announcement of any of these or similar strategic opportunities or transactions might have a significant effect on the price of Tuckamore's securities. Tuckamore's policy is not to publicly disclose the pursuit of a potential strategic opportunity or transaction unless and until a definitive binding agreement is reached. There can be no assurance that investors who buy or sell securities of Tuckamore are doing so at a time when Tuckamore is not pursuing a particular strategic opportunity or transaction, that when announced, would have a significant effect on the price of Tuckamore's securities.

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 year ended December 31, 2012 with securities regulators, including this MD&A and the accompanying audited consolidated financial statements and that they are responsible for the design of the disclosure controls and procedures.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Multi-lateral Instrument 52-109 also requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal controls over financial reporting for the issuer, that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, and that the issuer has disclosed any changes in its internal controls during its most recent year end that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

There have been no changes in internal controls over financial reporting during the year ended December 31, 2012 that have materially affected or are reasonably likely to materially affect internal controls over financial reporting.

Due to the inherent limitations common to all control systems, management acknowledges that disclosure controls and procedures and internal control over financial reporting may not prevent or detect all misstatements. Accordingly, management's evaluation of our disclosure controls and procedures and internal control over financial reporting provide reasonable, not absolute, assurance that misstatements resulting from fraud or error will be detected.

ADDITIONAL INFORMATION

Additional information relating to Tuckamore including Tuckamore's AIF is on SEDAR at www.sedar.com or on our website www.tuckamore.ca

DEFINITIONS

"AIF" – means Annual Information Form;

"Armstrong" – means Armstrong Partnership LP, a limited partnership formed under the laws of Ontario;

"BMO" – means Bank of Montreal;

"CEO" – means Chief Executive Officer;

"CFO" – means Chief Financial Officer;

"CICA" – means Canadian Institute of Chartered Accountants;

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

"Convertible Debentures" – means collectively the two series of unsecured, subordinated, convertible debentures of Tuckamore, due December 31, 2010 and December 31, 2012, respectively;

"Debentures" – means collectively the Secured and Unsecured Debentures of Tuckamore, due March 23, 2016 and March 23, 2014

"GAAP" – means, at any time, Canadian generally accepted accounting principles, including those set out in the Handbook of the CICA, applied on a consistent basis;

"Gemma" – means Gemma Communications LP, a limited partnership formed under the laws of Ontario;

"Gusgo" – means Gusgo Transport LP, a limited partnership formed under the laws of Ontario;

"IC Group" – means IC Group LP, a limited partnership formed under the laws of Ontario;

"IFRS" – means International Financial Reporting Standards;

"Lenders" – means the various persons from time to time acting as lenders under the Senior Credit Agreement;

"MD&A" – means Management's Discussion and Analysis;

"Marret" – means Marret Asset Management

"Morrison Williams" – means Morrison Williams Investment Management 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;

"S&E" – means Sports and Entertainment Limited Partnership, a limited partnership formed under the laws of Ontario;

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

"TH"- means Tuckamore Holdings LP

"TSX" – means Toronto Stock Exchange

"Tuckamore" – means Tuckamore Capital Management Inc.