Consolidated Interim Financial Statements of

TUCKAMORE CAPITAL MANAGEMENT INC.

Three and Six Months Ended June 30, 2012 and 2011
(Unaudited)

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

TUCKAMORE CAPITAL MANAGEMENT INC.

Consolidated Interim Balance Sheets
(In thousands of Canadian dollars)
(unaudited)

		June 30, 2012		December 31, 2011
Assets				
Current Assets:				
Cash	$	3,164	$	28,625
Cash and short-term investments held in trust		6,076		8,108
Accounts receivable		159,493		149,371
Inventories		30,359		37,464
Prepaid expenses		3,723		3,486
Other current assets		3,208		3,046
Current assets of discontinued operations (note 2)		-		3,517
	$	206,023	$	233,617
Property, plant and equipment (note 3)		61,055		60,100
Goodwill (note 4)		77,093		77,093
Intangible assets (note 4)		73,645		78,928
Other assets		3,345		3,114
	$	421,161	$	452,852
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities		83,175		91,173
Deferred revenue		5,524		8,608
Current portion of obligations under capital leases		3,968		5,540
Current portion of senior credit facility (note 5)		-		10,000
Current liabilities of discontinued operations (note 2)		-		651
	$	92,667	$	115,972
Obligations under capital leases		7,426		3,681
Senior credit facility (note 5)		80,755		85,705
Secured debentures (note 5)		149,551		146,314
Unsecured debentures (note 5)		16,338		14,215
Deferred tax liability (note 6)		9,755		11,028
Shareholders' equity		64,669		75,937
	$	421,161	$	452,852

See accompanying notes to unaudited consolidated interim financial statements.

TUCKAMORE CAPITAL MANAGEMENT INC.

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

	Three months ended June 30		Six months ended June 30	
	2012	2011	2012	2011
Revenues	$ 191,682	$ 145,060	$ 364,657	$ 281,294
Cost of revenues	(157,507)	(113,416)	(296,794)	(221,628)
Gross profit	34,175	31,644	67,863	59,666
Selling, general and administrative	(26,456)	(22,677)	(53,741)	(46,290)
Amortization of intangible assets	(2,296)	(3,239)	(4,960)	(6,810)
Depreciation	(3,836)	(3,375)	(7,008)	(7,297)
Income from equity investments	-	-	-	372
Interest expense, net	(7,576)	(7,445)	(16,145)	(14,558)
(Loss) gain on debt extinguishment	-	-	(2,812)	37,451
Fair value adjustment to stock based compensation expense (note 8)	-	-	-	(883)
Transaction costs	-	(205)	-	(1,383)
(Loss) income before income taxes	$ (5,989)	$ (5,297)	$ (16,803)	$ 20,268
Income tax expense - current	(11)	(5)	(11)	(8)
Income tax recovery (expense) - deferred (note 6)	431	2,441	2,835	(2,094)
Net (loss) income from continuing operations	$ (5,569)	$ (2,861)	$ (13,979)	$ 18,166
Income from discontinued operations (net of income tax) (note 2)	1,956	2,787	1,968	2,532
Net (loss) income and comprehensive (loss) income	$ (3,613)	$ (74)	$ (12,011)	$ 20,698
(Loss) income per share (note 7)				
Basic:				
Continuing operations	$ (0.08)	$ (0.04)	$ (0.20)	$ 0.25
Net (loss) income	$ (0.05)	$ (0.00)	$ (0.17)	$ 0.29
Diluted:				
Continuing operations	$ (0.08)	$ (0.04)	$ (0.20)	$ 0.25
Net (loss) income	$ (0.05)	$ (0.00)	$ (0.17)	$ 0.28

See accompanying notes to unaudited consolidated interim financial statements.

TUCKAMORE CAPITAL MANAGEMENT INC.

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

Six months ended June 30, 2012	Number of shares		Shareholders' Capital		Deficit		Contributed Surplus		Total Shareholders' Equity
Balance - December 31, 2011	71,631,431	$	414,884	$	(345,864)	$	6,917	$	75,937
Net loss for the period	-		-		(12,011)		-		(12,011)
Stock-based compensation (note 8)	-		-		-		743		743
Balance - June 30, 2012	71,631,431	$	414,884	$	(357,875)	$	7,660	$	64,669

Six months ended June 30, 2011	Number of shares		Shareholders' Capital		Deficit		Contributed Surplus		Total Shareholders' Equity
Balance - December 31, 2010	71,631,431	$	414,884	$	(373,729)	$	2,360	$	43,515
Net income for the period	-		-		20,698		-		20,698
Balance - June 30, 2011	71,631,431	$	414,884	$	(353,031)	$	2,360	$	64,213

See accompanying notes to unaudited consolidated interim financial statements.

TUCKAMORE CAPITAL MANAGEMENT INC.

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

	Six months ended June 30, 2012	Six months ended June 30, 2011
Cash provided by (used in):		
Operating activities:		
Net (loss) income for the period	$ (12,011)	$ 20,698
Items not affecting cash:		
Income from discontinued operations (note 2)	(1,968)	(2,532)
Amortization of intangible assets	4,960	6,810
Depreciation	7,008	7,297
Deferred income tax (recovery) expense	(2,835)	2,094
Income from equity investments, net of cash received	-	372
Non-cash interest expense (note 5)	5,361	3,190
Loss (gain) on extinguishment of debt (note 5)	2,812	(37,451)
Stock based compensation expense (note 8)	743	2,195
Changes in non-cash working capital	(16,293)	(33,053)
Distributions from discontinued operations	-	1,401
Cash provided by (used in) discontinued operations (note 2)	106	(558)
	$ (12,117)	$ (29,537)
Investing activities:		
Acquisition of businesses, net of cash acquired	-	(14,547)
Proceeds on disposal of investment	7,557	-
Purchase of property, plant and equipment	(2,950)	(671)
Net proceeds on disposal of property, plant and equipment	141	523
Purchase of software	(21)	(710)
Increase in other assets	(551)	-
Cash (used in) provided by discontinued operations (note 2)	(7)	567
	$ 4,169	$ (14,838)
Financing activities:		
Increase of long-term debt	-	29,766
Repayment of long-term debt	(6,200)	-
Repayment of revolving credit facility	(10,000)	-
Decrease (increase) in cash held in trust	2,032	(1,011)
Repayment of capital lease obligations	(2,960)	(2,828)
Cash used in discontinued operations (note 2)	(385)	(1,017)
	$ (17,513)	$ 24,910
Decrease in cash	(25,461)	(19,465)
Cash, beginning of period - continuing operations	28,340	27,230
Cash, beginning of period - discontinued operations	285	509
Cash, end of period	$ 3,164	$ 8,274
Cash, end of period - continuing operations	$ 3,164	$ 7,932
Cash, end of period - discontinued operations	-	342
Supplemental cash flow information:		
Interest paid	12,814	6,621
Cash acquired upon acquisition	-	20
Supplemental disclosure of non-cash financing and investing activities:		
Acquisition of property, plant and equipment through capital leases	5,149	728
Debt and accrued interest repaid through issuance of debentures	-	152,951

See accompanying notes to unaudited consolidated interim financial statements.

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

The consolidated interim financial statements were authorized for issue in accordance with a resolution of the directors of Tuckamore on August 13, 2012.

1. Significant accounting policies

a) Basis of Presentation

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

The consolidated interim financial statements have been prepared using the same accounting policies and methods as those used in the consolidated financial statements for the year ended December 31, 2011. The financial statements have been presented in Canadian dollars rounded to the nearest thousand unless otherwise indicated.

These interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2011.

2. Discontinued operations

Marketing

a) On June 29, 2012 Tuckamore sold its 80% interest in Armstrong Partnership LP for gross proceeds of $5,133 realizing an accounting a gain of approximately $3,200. In addition, a receivable of $233 was recorded for unpaid distributions due September 28, 2012.

Financial Services

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

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

c) On September 8, 2011 Tuckamore completed the sale of Brompton Corp for gross proceeds of $17,373, realizing an accounting gain of $9,055.

(In thousands of Canadian dollars)

Industrial Services

a) In November 2011, the majority limited partner of Waydex Services LP delivered to ClearStream an offer letter pursuant to the shotgun buy-sell provision of the limited partnership agreement governing Waydex. In December 2011 ClearStream elected to sell its 40% interest in Waydex to the majority partner. The buy-sell transaction closed on January 24, 2012 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.

b) During 2011, the Wear technology operations of Brospec LP, a subsidiary of ClearStream were discontinued. Management determined that due to the geographic location in Eastern Canada and the resulting long haul logistics of pipe wear products, it would be more cost effective to consolidate operations in existing facilities in Western Canada. Proceeds from the sale of certain assets were $675.

The following tables below shows the revenue and net income (loss) from discontinued operations for the six months ended June 30, 2012.

For the six months ended June 30, 2012	Marketing
Revenue	$ 5,215
Expenses	(4,877)
Income before taxes	338
Gain on sale of investment	3,192
Income tax recovery - deferred	(1,562)
Net income from discontinued operations	$ 1,968
Net income per share - basic	$ 0.03
Net income per share - diluted	$ 0.03

The following table shows the revenue and net income (loss) from discontinued operations for the six months ended June 30, 2011.

For the six months ended June 30, 2011	Marketing	Industrial	Financial Services	Total
Revenue	$ 4,978	$ 5,022	$ 6,609	$ 16,609
Expenses	(5,376)	(5,524)	(7,322)	$ (18,222)
Loss before taxes	(398)	(502)	(713)	(1,613)
Income from equity investments	0	-	713	713
Write-down of goodwill and intangibles	0	(321)	-	(321)
Gain on sale of discontinued operations	$ 3,300	(25)	-	3,275
Income tax recovery - deferred	(20)	-	498	478
Net income (loss) from discontinued operations	$ 2,882	$ (848)	$ 498	$ 2,532
Net income (loss) per share - basic	$ 0.04	$ (0.01)	$ 0.01	$ 0.04
Net income (loss) per share - diluted	$ 0.04	$ (0.01)	$ 0.01	$ 0.03

(In thousands of Canadian dollars)

The following table shows the assets and liabilities of discontinued operations as at December 31, 2011.

Effect of disposal on the financial position		Industrial
Total assets of discontinued operations	$	3,517
Total liabilities of discontinued operations		651
Net assets of discontinued operations	$	2,866

3. Property, plant and equipment

	Equipment under capital lease	Furniture and equipment	Computer hardware	Automotive and heavy equipment	Land and buildings	Leasehold improvements	Total
Cost							
Balance at December 31, 2011	$ 25,318	$ 15,561	$ 5,362	$ 54,882	$ 7,345	$ 8,097	$116,565
Additions	5,149	333	254	1,739	325	299	8,099
Disposals	(327)	(3)	(6)	(486)	-	(118)	(940)
Sold through dispositions of business		(309)	(283)	-	-	(349)	(941)
Reclass	(1,918)	556	-	6,955	-	-	5,593
Other	53	-	-	269	-	(1)	321
Balance at June 31, 2012	$ 28,275	$ 16,138	$ 5,327	$ 63,359	$ 7,670	$ 7,928	$ 128,697
Depreciation							
Balance at December 31, 2011	$(14,009)	$ (5,866)	$ (3,981)	$ (26,063)	$(1,719)	$ (4,827)	$ (56,465)
Depreciation for the period	(1,127)	(832)	(276)	(4,068)	(67)	(638)	(7,008)
Disposals	277	2	4	348	-	115	746
Sold through dispositions of business	-	180	210	-	-	288	678
Reclass	411	46	(1)	(6,038)	(11)	-	(5,593)
Other	-	-	-	-	-	-	-
Balance at June 30, 2012	$(14,448)	$ (6,470)	$ (4,044)	$ (35,821)	$(1,797)	$ (5,062)	$ (67,642)
Net book value							
At December 31, 2011	$ 11,309	$ 9,695	$ 1,381	$ 28,819	$ 5,626	$ 3,270	$ 60,100
At June 30, 2012	$ 13,827	$ 9,668	$ 1,283	$ 27,538	$ 5,873	$ 2,866	$ 61,055

a) Collateral:

As at June 30, 2012, property, plant and equipment with a carrying amount of $47,228 is subject to a general security agreement under the long-term debt (December 31, 2011 - $48,791).

b) Capital Commitments:

As at June 30, 2012, Tuckamore had no capital commitments for the acquisition of new equipment (December 31, 2011 - $nil).

(In thousands of Canadian dollars)

4. Goodwill and intangible assets

	Goodwill	Customer relationships	Computer software	Brands	Sales Orders	Management Contracts	Intangible Total
Cost							-
Balance at December 31, 2011	$ 100,776	$ 132,777	$ 2,181	$ 17,847	$ 2,444	$ 2,000	$ 157,249
Additions	-	-	21	-	-	-	21
Disposals	-	-	-	-	(28)	-	(28)
Reclass	-	(558)	-	(1,256)	-	-	(1,814)
Other	-	(283)	-	(64)	27	-	(320)
Balance at June 30, 2012	$ 100,776	$ 131,936	$ 2,202	$ 16,527	$ 2,443	$ 2,000	$ 155,108
Amortization and impairments							
Balance at December 31, 2011	$ (23,683)	$ (76,312)	$ (810)	$ (321)	$ (711)	$ (167)	$ (78,321)
Amortization for the period	-	(3,699)	(315)	-	(613)	(333)	(4,960)
Disposals	-	-	-	-	28	-	28
Reclass	-	1,814	-	-	-	-	1,814
Other	-	-	1	-	(25)	-	(24)
Balance at June 30, 2012	$ (23,683)	$ (78,197)	$ (1,124)	$ (321)	$ (1,321)	$ (500)	$ (81,463)
Net book value							
At December 31, 2011	$ 77,093	$ 56,465	$ 1,371	$ 17,526	$ 1,733	$ 1,833	$ 78,928
At June 30, 2012	$ 77,093	$ 53,739	$ 1,078	$ 16,206	$ 1,122	$ 1,500	$ 73,645

5. Senior credit facility and debenture

a) Senior credit facility

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

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

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

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

Advances outstanding under the Amended Senior Credit Facility at June 30, 2012 total $80,755 with $50,000 of this amount as a revolving facility and the balance as a term facility, $10,000 of the revolving facility was undrawn as at June 30, 2012. The Amended Senior Credit Facility provides, amongst other things, standard financial covenants for a facility of this size and type. It has a term of three years and an initial interest rate of prime plus 1.5%, where the rate can be reduced when certain leverage ratios are achieved. Repayments of the Amended Senior Credit Facility prior to maturity will be from proceeds of asset sales, and from excess cash flow from operations.

For accounting purposes, the assignment of the senior credit facility was considered an extinguishment of debt. A loss on extinguishment of debt of $2,812 was recorded representing transaction costs and the write-off of deferred financing costs relating to the extinguished credit facility.

b) Secured and unsecured debentures

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

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

The aggregate principal amount of the Unsecured Debentures is equal to the accrued and unpaid interest on the Debentures at March 23, 2011 of $26,552. The maturity date is March 23, 2014 (the "Unsecured Debenture Maturity Date"). Interest will accrue on the principal amount of the Unsecured Debentures at a non-compounding rate of 3.624% per annum, payable in cash at the Unsecured Debenture Maturity Date.

Tuckamore will repay the principal amount of the Unsecured Debentures on the Unsecured Debenture Maturity Date either in cash or by delivering common shares of Tuckamore at a conversion price of $0.2254 per common share. The total number of common shares to be issued on the repayment of the Unsecured Debentures is capped at 10% of the fully diluted common shares of Tuckamore on the repayment date. The Unsecured Debentures were listed on the TSX on the closing date of March 23, 2011. In the event of a change of control Tuckamore's ability to settle the obligation through the issuance of shares will not be available.

(In thousands of Canadian dollars)

		Secured Debentures		Unsecured Debentures
Issue date		March 23, 2011		March 23, 2011
Principal Amount	$	176,228	$	26,552
Interest Rate		8.0%		3.624%
Carrying value at June 30, 2012	$	149,551	$	16,338
Accretion expense recorded in 2012	$	3,237	$	2,124
Accretion expense still to be recorded prior to maturity	$	26,677	$	10,214
Maturity Date		March 23, 2016		March 23, 2014

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

6. Income taxes

The reconciliation of statutory income tax rates to Tuckamore's effective tax rate is as follows:

	Three months ended June 30				Six months ended June 30			
		2012		2011		2012		2011
Income tax recovery (expense) at statutory rates	$	1,549	$	1,483	$	4,453	$	(5,675)
Permanent differences		(3)		(579)		(283)		(776)
Change in tax rates on temporary differences		43		1,218		344		3,630
Release of tax reserve		-		280		-		280
Other		(1,158)		39		(1,679)		447
Income tax recovery (expense) - deferred	$	431	$	2,441	$	2,835	$	(2,094)

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

	Three months ended June 30				Six months ended June 30			
		2012		2011		2012		2011
Total current income tax (expense)	$	(11)	$	5	$	(11)	$	8
Deferred income tax recovery (expense):								
Origination and reversal of temporary differences		388		1,223		2,491		(5,724)
Deferred tax due to changes in tax rates		43		1,218		344		3,630
Income tax recovery (expense) - deferred	$	431	$	2,441	$	2,835	$	(2,094)

(In thousands of Canadian dollars)

The tax effects of temporary differences that give rise to deferred income tax (liabilities) assets are as follows:

	June 30, 2012	December 31, 2011
Deferred income tax (liabilities) assets:		
Fixed assets	$(5,816)	$ (4,636)
Intangible assets	(4,249)	(3,930)
Debentures	(9,776)	(10,563)
Net operating losses	7,992	6,801
Other	2,094	1,300
	$(9,755)	$ (11,028)

Tuckamore has approximately $122,269 of capital losses that have not been recognized in the consolidated interim financial statements as of June 30, 2012 (December 31, 2011 - $112,877). There is no expiry of capital losses.

7. Income (loss) per share

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

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

Three months ended June 30,	2012	2011
Numerator:		
Loss from continuing operations	$ (5,569)	$ (2,861)
Income from discontinued operations	1,956	2,787
Net (loss) income	$ (3,613)	$ (74)
Denominator:		
Weighted average number of shares outstanding (basic)	71,631,461	71,631,461
Effect of stock options vested[1]	-	-
Weighted average number of shares outstanding (diluted)	71,631,461	71,631,461

Six months ended June 30,	2012	2011
Numerator:		
(Loss) income from continuing operations	$ (13,979)	$ 18,166
Income from discontinued operations	1,968	2,532
Net (loss) income	$ (12,011)	$ 20,698
Denominator:		
Weighted average number of shares outstanding (basic)	71,631,461	71,631,461
Effect of stock options vested[1]	-	2,086,265
Weighted average number of shares outstanding (diluted)	71,631,461	73,717,726

[1]The effect of stock options vested as at June 30, 2012 and for the three months ended June 30, 2011 was anti-dilutive.

8. Stock-based compensation

On November 30, 2009 the unitholders of Tuckamore approved an Incentive Option Plan ("IOP"). Pursuant to the IOP, 7,100,590 shares were listed and reserved for issuance upon the exercise of the stock options granted. On March 25, 2011, the IOP was amended to permit the adoption of a new Management Incentive Plan ("MIP").

(In thousands of Canadian dollars)

Pursuant to the MIP, 7,150,000 shares were listed and reserved for issuance upon the exercise of stock options. The term and conditions of the grants are as follows:

Plan	Grant date	Number of options	Exercise price	Vesting dates	Contractual life of options
IOP	January 13, 2010	7,000,000	$0.403	2010 to 2013	5 years
	March 25, 2011	50,000	$0.358	50% vest on March 25, 2012, 50 % vest on March 25, 2013	5 years
MIP	March 25, 2011	7,150,000	$0.358	50% vest on March 25, 2012, 50% vest on March 25, 2013	5 years
Total options granted		14,200,000			

The number and weighted average exercise prices of share options are as follows:

	IOP		MIP		
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Total
Outstanding at December 31, 2011					
January 13, 2010 options	$0.403	7,000,000	$0.358	7,150,000	14,150,000
March 25, 2011 options	$0.358	50,000	-	-	50,000
Granted during the period	-	-	-	-	-
Forfeited during the period	-	-	-	-	-
Exercised during the period	-	-	-	-	-
Outstanding at June 30, 2012		7,050,000		7,150,000	14,200,000
Exercisable at June 30, 2012		6,179,300		3,575,000	9,754,300

The options outstanding at June 30, 2012 have an exercise price in the range of $0.358 to $0.403 and a weighted average remaining contractual life of 4 years.

Tuckamore estimates stock-based compensation expense at the grant date based on the fair value of the options as calculated by the Black-Scholes fair value option-pricing model. This fair value model requires various judgmental assumptions including volatility and expected life of the options. The resulting fair value is charged to compensation expense over the vesting period of the options. The following assumptions were used in arriving at the fair value of the options granted:

	IOP	MIP
Risk free interest rate	1.63%	1.69%
Expected volatility	144%	122%
Expected weighted average life of options	2.42	2.00
Expected dividend yield	0%	0%

(In thousands of Canadian dollars)

The income (expense) recognized related to stock-based compensation is as follows:

Three months ended June 30, 2012		IOP		MIP		Total
Stock based compensation expense	$	37	$	178	$	215
Contributed surplus related to stock based compensation as at June 30, 2012	$	2,767	$	2,534	$	5,301

Six months ended June 30, 2012		IOP		MIP		Total
Stock based compensation expense	$	142	$	601	$	743
Contributed surplus related to stock based compensation as at June 30, 2012	$	2,767	$	2,534	$	5,301

Three months ended June 30, 2011		IOP		MIP		Total
Stock based compensation expense	$	81	$	446	$	527
Fair market value adjustment reflected to liability classification		-		-		-
Total Stock based compensation expense	$	81	$	446	$	527
Contributed surplus related to stock based compensation at June 30, 2011		2,331		1,029		3,360

Six months ended June 30, 2011		IOP		MIP		Total
Stock based compensation expense	$	234	$	1,078	$	1,312
Fair market value adjustment reflected to liability classification		932		(49)		883
Total Stock based compensation expense	$	1,166	$	1,029	$	2,195
Contributed surplus related to stock based compensation at June 30, 2011		2,331		1,029		3,360

The intrinsic value of vested stock based compensation awards outstanding as at June 30, 2012 was $nil.

9. Related party disclosures

a) Advances to operating partnerships

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

As at		June 30, 2012		December 31, 2011
Net advances to joint venture operating partners	$	1,384	$	1,520

b) Employee loans

Employee loans were made to certain management and employees. In accordance with the terms and conditions, the loans bear interest at prime, were used to purchase shares of Tuckamore and are collateralized by shares and in certain cases personal guarantees. The loan balances were $1,335 as at June 30, 2012 and $1,572 at December 31, 2011.

c) Other related party transactions

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

10. Segmented information

Tuckamore has four reportable operating segments (the former Financial Services segment is now included in discontinued operations), each of which has separate operational management and management reporting information. A majority of Tuckamore's operations, assets and employees are located in Canada. The marketing segment represents the investment in an outsourced contact centre operator providing outbound revenue generation and inbound customer services and a provider of on-line promotional and loyalty programs and select insurance products. The industrial services segment includes two reportable segments and represents the investments in a fully integrated provider of mid-stream production services to the energy industry and a provider of demolition contract services and site remediation services. The other segment includes a distributor and manufacturer of heavy equipment, a container transportation business and a re-seller of closeout and refurbished consumer households goods. The corporate segment includes head office administrative and financing costs incurred by Tuckamore.

(In thousands of Canadian dollars)

Three months ended June 30, 2012	Marketing	Industrial Services		Other	Corporate	Total
		ClearStream	Quantum Murray			
Revenues	$ 8,897	$ 138,834	$ 32,477	$ 11,474	$ -	$ 191,682
Cost of revenues	(5,858)	(115,699)	(28,318)	(7,632)	-	(157,507)
Gross profit	3,039	23,135	4,159	3,842	-	34,175
Selling, general and administrative	(2,421)	(12,292)	(7,512)	(2,652)	(1,579)	(26,456)
Amortization of intangible assets	(782)	(1,042)	(456)	-	(16)	(2,296)
Depreciation	(163)	(1,443)	(450)	(139)	(1,641)	(3,836)
Interest expense	(10)	(2,923)	(69)	(180)	(4,394)	(7,576)
(Loss) Income before income taxes	$ (337)	$ 5,435	$ (4,328)	$ 871	$ (7,630)	$ (5,989)
Income tax expense - current	(11)	-	-	-	-	(11)
Income tax recovery (expense)- deferred	123	(362)	773	(297)	194	431
Net (loss) income from continuing operations	$ (225)	$ 5,073	$ (3,555)	$ 574	$ (7,436)	$ (5,569)
Add back:						
Interest expense	10	2,923	69	180	4,394	7,576
Amortization	782	1,042	456	-	16	2,296
Depreciation	163	1,443	450	139	1,641	3,836
Income tax expense - current	11	-	-	-	-	11
Income tax (recovery) expense - deferred	(123)	362	(773)	297	(194)	(431)
EBITDA	$ 618	$ 10,843	$ (3,353)	$ 1,190	$ (1,579)	$ 7,719
Total assets as at: June 30, 2012	28,934	265,996	77,843	23,632	24,756	421,161
Total liabilities as at: June 30, 2012	9,185	217,285	48,140	21,836	60,046	356,492

(In thousands of Canadian dollars)

Six months ended June 30, 2012	Marketing	Industrial Services		Other	Corporate	Total
		ClearStream	Quantum Murray			
Revenues	$ 18,743	$ 241,851	$ 79,765	$ 24,298	$ -	$ 364,657
Cost of revenues	(12,262)	(201,915)	(66,473)	(16,144)	-	(296,794)
Gross profit	6,481	39,936	13,292	8,154	-	67,863
Selling, general and administrative	(5,063)	(23,782)	(15,759)	(5,332)	(3,805)	(53,741)
Amortization of intangible assets	(1,565)	(2,451)	(746)	-	(198)	(4,960)
Depreciation	(334)	(3,053)	(1,206)	(265)	(2,150)	(7,008)
Interest expense	(23)	(5,689)	(138)	(362)	(9,933)	(16,145)
Loss on debt extinguishment	-	-	-	-	(2,812)	(2,812)
(Loss) Income before income taxes	$ (504)	$ 4,961	$ (4,557)	$ 2,195	$ (18,898)	$ (16,803)
Income tax expense - current	(11)	-	-	-	-	(11)
Income tax (expense) recovery - deferred	(379)	(695)	753	(288)	3,444	2,835
Net (loss) income from continuing operations	$ (894)	$ 4,266	$ (3,804)	$ 1,907	$ (15,454)	$ (13,979)
Add back:						
Interest expense	23	5,689	138	362	9,933	16,145
Amortization	1,565	2,451	746	-	198	4,960
Depreciation	334	3,053	1,206	265	2,150	7,008
Income tax expense - current	11	-	-	-	-	11
Income tax expense (recovery) - deferred	379	695	(753)	288	(3,444)	(2,835)
EBITDA	$ 1,418	$ 16,154	$ (2,467)	$ 2,822	$ (6,617)	$ 11,310
Total assets as at: June 30, 2012	28,934	265,996	77,843	23,632	24,756	421,161
Total liabilities as at: June 30, 2012	9,185	217,285	48,140	21,836	60,046	356,492

(In thousands of Canadian dollars)

Three months ended June 30, 2011	Marketing	Industrial Services		Other	Corporate	Total
		ClearStream	Quantum Murray			
Revenues	$ 10,002	$ 94,507	$ 30,146	$ 10,405	$ -	$ 145,060
Cost of revenues	(6,618)	(76,533)	(23,313)	(6,952)	-	(113,416)
Gross profit	3,384	17,974	6,833	3,453	-	31,644
Selling, general and administrative	(2,531)	(10,150)	(4,778)	(2,456)	(2,762)	(22,677)
Amortization of intangible assets	111	(2,220)	(782)	(329)	(19)	(3,239)
Depreciation	(168)	(2,764)	(245)	(110)	(88)	(3,375)
Interest expense	(39)	(2,898)	(88)	(169)	(4,251)	(7,445)
Transaction costs	-	-	-	-	(205)	(205)
Income (loss) before income taxes	$ 757	$ (58)	$ 940	$ 389	$ (7,325)	$ (5,297)
Income tax expense - current	-	-	-	-	(5)	(5)
Income tax recovery (expense) - deferred	67	1,737	(87)	(33)	757	2,441
Net income (loss) from continuing operations	$ 824	$ 1,679	$ 853	$ 356	$ (6,573)	$ (2,861)
Add back:						
Interest expense	39	2,898	88	169	4,251	7,445
Amortization	(111)	2,220	782	329	19	3,239
Depreciation	168	2,764	245	110	88	3,375
Income tax expense - current	-	-	-	-	5	5
Income tax (recovery) expense- deferred	(67)	(1,737)	87	33	(757)	(2,441)
EBITDA	$ 853	$ 7,824	$ 2,055	$ 997	$ (2,967)	$ 8,762
Total assets as at: December 31, 2011	39,757	233,662	115,480	24,733	39,220	452,852
Total liabilities as at: December 31, 2011	15,572	166,982	68,970	22,346	103,045	376,915

(In thousands of Canadian dollars)

Six months ended June 30, 2011	Marketing	Industrial Services		Other	Corporate	Total
		ClearStream	Quantum Murray			
Revenues	$ 19,561	$ 177,536	$ 61,593	$ 22,604	$ -	$ 281,294
Cost of revenues	(12,859)	(145,358)	(48,125)	(15,286)	-	(221,628)
Gross profit	6,702	32,178	13,468	7,318	-	59,666
Selling, general and administrative	(5,228)	(19,989)	(9,835)	(4,997)	(6,241)	(46,290)
Amortization of intangible assets	(1,244)	(3,215)	(1,564)	(662)	(125)	(6,810)
Depreciation	(326)	(5,544)	(1,113)	(226)	(88)	(7,297)
Income from equity investment	-	-	-	372	-	372
Interest expense	(68)	(5,407)	(183)	(331)	(8,569)	(14,558)
Gain on debt extinguishment	-	-	-	-	37,451	37,451
Fair value adjustment to stock based compensation expense	-	-	-	-	(883)	(883)
Transaction costs	-	-	-	-	(1,383)	(1,383)
(Loss) Income before income taxes	$ (164)	$ (1,977)	$ 773	$ 1,474	$ 20,162	$ 20,268
Income tax expense - current	-	(3)	-	-	(5)	(8)
Income tax recovery (expense) - deferred	433	3,418	604	316	(6,865)	(2,094)
Net income (loss) from continuing operations	$ 269	$ 1,438	$ 1,377	$ 1,790	$ 13,292	$ 18,166
Add back:						
Interest expense	68	5,407	183	331	8,569	14,558
Amortization	1,244	3,215	1,564	662	125	6,810
Depreciation	326	5,544	1,113	226	88	7,297
Income tax expense - current	-	3	-	-	5	8
Income tax (recovery) expense - deferred	(433)	(3,418)	(604)	(316)	6,865	2,094
EBITDA	$ 1,474	$ 12,189	$ 3,633	$ 2,693	$ 28,944	$ 48,933
Total assets as at: December 31, 2011	39,757	233,662	115,480	24,733	39,220	452,852
Total liabilities as at: December 31, 2011	15,572	166,982	68,970	22,346	103,045	376,915

11. Comparative figures

As a result of discontinued operations the comparative financial statements have been reclassified from statements previously presented to conform to the June 30, 2012 interim consolidated financial statements. The comparative consolidated interim statement of income and comprehensive income categorizes the revenues and expenses of businesses sold in 2011 and 2012 as discontinued operations.