TUCKAMORE CAPITAL MANAGEMENT INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTER ENDED JUNE 30, 2014

DEAR SHAREHOLDERS

The financial performance of Tuckamore in the second quarter of 2014 was improved over the same quarter of last year. The second quarter tends to be seasonally strong for ClearStream in particular. Quantum Murray was also able to continue its slow recovery. The rest of the portfolio performed at similar or lower levels to the second quarter of last year.

ClearStream's better performance in 2014 continues to be largely related to increased revenues in its wear technology, fabrication and conventional maintenance divisions. ClearStream is benefiting from continuing demand for its pipe-coating wear product, and is operating at full capacity in its fabrication division. These divisions typically earn higher gross margins than the traditional higher revenue maintenance services business. Maintenance services revenues are also improved over a year ago in the conventional business however some client project delays and cost rationalization steps are evident. Oilsands maintenance revenues were lower this quarter due to clients' temporarily reduced capacity.

At Quantum Murray the second quarter typically reflects the start of more positive momentum particularly for remediation and demolition mandates which can be hampered by winter weather conditions. Overall, the project backlog has been stronger, although the pattern of project scheduling has resulted in a less pronounced pick-up in activity compared with 2013 when a number of larger mandates were underway on compressed schedules. The backlog in place will benefit the second half of this year. The demolition division continued to win and execute well on smaller projects and the remediation group was successful with some larger project bids. Results in the metals division continue to disappoint, and a strategic review of this division is underway.

In the balance of the portfolio, reductions in call centre revenues from several clients are impacting Gemma this year. Gemma continues to focus on diversifying its customer base in the financial services and telecommunications sectors. IC Group has been impacted by further revenue reduction as clients have cancelled or internalized certain projects. Gusgo's results are improved from a year ago due to increased client activity. Titan has had a transitional quarter, and is re-aligning its sales force to better address customer needs.

Tuckamore is in full compliance with all debt covenants. However, financial constraints in our credit facilities and access to working capital remain challenging as we look to grow our businesses. This will continue and will become more pronounced if increased work volumes at Quantum Murray coincide with peak volumes at ClearStream. Additional borrowing is not possible, and cash management to allow growth continues to be a very high priority for Tuckamore.

In the last message to shareholders, the Company announced that it had entered into an arrangement agreement (the "Arrangement Agreement") pursuant to which certain members of Tuckamore's senior management, along with the support of certain funds managed by Birch Hill Equity Partners, had agreed to indirectly acquire all of the issued and outstanding common shares of the Company (not already owned by senior management) for cash consideration at a price of $0.75 per share (the "Arrangement"). On July 11, 2014, the Company announced that it had adjourned the special meeting of shareholders called to consider the Arrangement to allow the Company additional time to consult with shareholders. On July 25, 2014, the Company announced that the Arrangement Agreement had been terminated and that the special meeting of shareholders had been cancelled.

The Company also announced on July 25, 2014 that it had entered into a subscription agreement with Orange Capital Master l, Ltd. ("Orange Capital"), to sell $12.5 million of common shares of the Company to Orange Capital for a price not lower than $0.75 per share resulting in the issuance of no more than 16,666,667 shares (the "Private Placement"). The Company will use the proceeds from the Private Placement to reduce outstanding senior indebtedness under its senior credit agreement.

The Private Placement is the result of a process implemented by the board of directors (the "Board") with a view to refinancing its capital structure. On July 10, the Board formed a special committee of independent directors tasked with considering and providing the Board with advice and recommendations relating to certain strategic matters, including any potential financing or refinancing or restructuring of the Company's outstanding debt. Following a review of the financing alternatives available and the Company's need to obtain an extension of the maturity date of its Senior indebtedness, the Special Committee recommended that the Board proceed with the Private Placement with Orange Capital. In making this decision, the Special Committee carefully considered the feedback the Company received from its shareholders that the Company: (a) remain independent, (b) raise equity capital to stabilize Tuckamore's capital structure while minimizing shareholder dilution, and (c) add a strategic capital partner that brings industry, financial and governance expertise. The Board concluded that the Private Placement was in the best interests of the Company and that raising $12.5 million of additional equity with pricing of not lower than $0.75 per share strengthened Tuckamore's capital structure and enabled the Company to seek and receive an extension of the maturity of the senior secured credit facility from March 9, 2015 to December 31, 2015.

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

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

Tuckamore has called its annual general meeting of shareholders for shareholders of record on August 8, 2014 to be held on September 16, 2014. The Company will mail proxy materials to shareholders in due course and invites all shareholders to attend.

Thank you for your continued support.

Dean T. MacDonald

MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 5, 2014

The following is management's discussion and analysis ("MD&A") of the consolidated interim results of operations, balance sheets and cash flows of Tuckamore Capital Management Inc. ("Tuckamore") for the three and six months ended June 30, 2014 and 2013. This MD&A should be read in conjunction with Tuckamore's audited consolidated annual financial statements for the years ended December 31, 2013 and 2012.

All amounts in this MD&A are in Canadian dollars and expressed in '000's of dollars unless otherwise noted. The accompanying unaudited consolidated interim financial statements of Tuckamore have been prepared by and are the responsibility of management. The contents of this MD&A have been approved by the Board of Directors of Tuckamore, on the recommendation of its Audit Committee. This MD&A is dated August 5, 2014 and is current to that date unless otherwise indicated.

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

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

Capitalized terms are defined terms, their meaning is explained in the "Definitions" section located on page 31**,** and references to "we", "us", "our" or similar terms, refer to Tuckamore Capital Management Inc., unless the context otherwise requires.

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Forward-looking information

This MD&A contains certain forward-looking information. Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results and may include statements or information regarding the future plans or prospects of Tuckamore or the Operating Partnerships and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of Tuckamore and the Operating Partnerships. Without limitation, information regarding the future operating results and economic performance of Tuckamore and the Operating Partnerships constitute forward-looking information. Such forward-looking information reflects management's current beliefs and is based on information currently available to management of Tuckamore and the Operating Partnerships. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information including risks related to investments, conditions of capital markets, economic conditions, dependence on key personnel, limited customer bases, interest rates, regulatory change, ability to meet working capital requirements and capital expenditures needs of the Operating Partners, factors relating to the weather and availability of labour. These factors should not be considered exhaustive. In addition, in evaluating this information, investors should specifically consider various factors, including the risks outlined under "Risk Factors," which may cause actual events or results to differ materially from any forward-looking statement. In formulating forward-looking information herein, management has assumed that business and economic conditions affecting Tuckamore and the Operating Partnerships will continue substantially in the ordinary course, including without limitation with respect to general levels of economic activity, regulations, taxes and interest rates. Although the forward-looking information is based on what management of Tuckamore and the Operating Partnerships consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect. This forward-looking information is made as of the date of this MD&A, and Tuckamore does not assume any obligation to update or revise it to reflect new events or circumstances except as required by law. Undue reliance should not be placed on forward-looking information. Tuckamore is providing the forward-looking financial information set out in this MD&A for the purpose of providing investors with some context for the "Third Quarter Outlook" presented. Readers are cautioned that this information may not be appropriate for any other purpose.

Non-standard measures

The terms ''EBITDA'' and "Adjusted EBITDA", (collectively the ''Non- GAAP measures'') are financial measures used in this MD&A that are not standard measures under International Financial Reporting Standards (''IFRS''). Tuckamore's method of calculating Non-GAAP measures may differ from the methods used by other issuers. Therefore, Tuckamore's Non-GAAP measures, as presented may not be comparable to similar measures presented by other issuers.

EBITDA refers to net earnings determined in accordance with IFRS, before depreciation and amortization, interest expense and income tax expense (recovery). EBITDA is used by management and the directors of Tuckamore (the "Directors") as well as many investors to determine the ability of an issuer to generate cash from operations. Management also uses EBITDA to monitor the performance of Tuckamore's reportable segments and believes that in addition to net income or loss and cash provided by operating activities, EBITDA is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and distributions. Tuckamore has provided a reconciliation of net income (loss) to EBITDA in its MD&A.

Adjusted EBITDA refers to EBITDA excluding interest, taxes, depreciation and amortization of long-term investments and transaction costs. Tuckamore has used Adjusted EBITDA as the basis for the analysis of its past operating financial performance. Adjusted EBITDA is used by Tuckamore and management believes it is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures, and income taxes. Adjusted EBITDA is a measure that management believes facilitates the comparability of the results of historical periods and the analysis of its operating financial performance which may be useful to investors.

Investors are cautioned that the Non-standard Measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of performance or cash flows, a measure of liquidity or as a measure of actual return on the shares. These non-standard measures should only be used in conjunction with the financial statements included in the MD&A and Tuckamore's annual audited consolidated financial statements available on SEDAR at www.sedar.com or www.tuckamore.ca.

INDUSTRY SEGMENTS

Tuckamore has three operating segments. A majority of Tuckamore's operations, assets and employees are located in Canada. In addition to the segments listed below, the corporate segment represents head office administrative and financing costs incurred by Tuckamore. Tuckamore utilizes EBITDA and Adjusted EBITDA as a performance measure for its operating partners and segment results.

Operating Partner by Industry Segment	Business Description	Ownership Interest
Marketing		
Gemma	Integrated direct marketing company	100%
IC Group	Provider of on-line promotional and loyalty programs and select insurance products	80%
Industrial Services		
ClearStream	Provider of oil and gas maintenance, construction and wear technology services to both the conventional oil and gas industry and the oilsands	100%
Quantum Murray	National provider of demolition, remediation and scrap metal services	100%
Other		
Gusgo	Transportation and storage services provider	80%
Rlogistics	Re-seller of closeout, discount and refurbished consumer electronic and household goods in Ontario	36%
Titan	Manufacturer and distributor of rigging products and services, and ground engaging tools to the oil and gas, and construction sectors	92%

CORPORATE DEVELOPMENTS

On May 5, 2014 the Company announced that it had entered into an arrangement agreement (the "Arrangement Agreement") pursuant to which certain members of Tuckamore's senior management, along with the support of certain funds managed by Birch Hill Equity Partners, had agreed to indirectly acquire all of the issued and outstanding common shares of the Company (not already owned by senior management) for cash consideration at a price of $0.75 per share. On July 11, 2014 the Company announced that it had adjourned the special meeting of shareholders to allow the Company additional time to consult with shareholders. On July 25, 2014, the Company announced that the Arrangement Agreement had been terminated and that the special meeting of shareholders had been cancelled.

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SECOND QUARTER PERFORMANCE

SUMMARY RESULTS ($000s)

	Three months ended June 30, 2014	Three months ended June 30, 2013 Restated[1]	Six months ended June 30, 2014	Six months ended June 30, 2013 Restated[1]
Revenues	$ 172,517	$ 177,337	$ 345,055	$ 320,193
Cost of revenues	(131,913)	(141,137)	(267,739)	(256,344)
Gross profit	40,604	36,200	77,316	63,849
Selling, general and administrative expenses	(25,828)	(23,888)	(51,346)	(47,241)
Amortization expense	(1,712)	(2,697)	(3,431)	(5,404)
Depreciation expense	(3,367)	(3,883)	(6,690)	(7,760)
Income from long-term investments	804	989	2,146	2,770
Interest expense	(6,497)	(8,442)	(14,862)	(16,598)
Transaction costs	(2,706)	-	(2,706)	-
Income tax recovery (expense) - current	-	50	-	(109)
Income tax (expense) recovery - deferred	(643)	(379)	2,372	2,540
Net income (loss)	$ 655	$ (2,050)	$ 2,799	$ (7,953)
Add:				
Amortization	1,712	2,697	3,431	5,404
Depreciation	3,367	3,883	6,690	7,760
Interest expense	6,497	8,442	14,862	16,598
Income tax (recovery) expense - current	-	(50)	-	109
Income tax expense (recovery) - deferred	643	379	(2,372)	(2,540)
EBITDA	$ 12,874	$ 13,301	$ 25,410	$ 19,378
Interest, taxes, depreciation and amortization of long-term invesments	$ 201	$ 229	$ 386	$ 408
Transaction costs	2,706	-	2,706	-
Adjusted EBITDA	$ 15,781	$ 13,530	$ 28,502	$ 19,786

Selected Balance Sheet Accounts	June 30, 2014	December 31, 2013
Total assets	$ 397,946	$ 402,524
Senior credit facility	84,681	89,835
Secured debentures	163,233	159,700
Unsecured debentures	-	24,819
Shareholders' equity	62,445	36,040

[1] Please refer to Note 9 – "Comparative figures" in Tuckamore's June 30, 2014 consolidated financial statements for more information.

SECOND QUARTER 2014 RESULTS

Tuckamore's operations from its portfolio investments are reported in its three operating segments: Marketing, Industrial Services and Other.

Revenues for the three and six months ended June 30, 2014 were $172,517 and $345,055 compared to $177,337 and $320,193 during the same periods in the prior year. This represents a decrease of 2.7% and an increase of 7.8%, respectively. The decrease for the three months ended June 30, 2014 was largely driven by a decrease in revenues at ClearStream. While the Wear, Fabrication and Conventional oil and gas maintenance divisions all saw gains in revenue over the same period in the prior years, the Oilsands divisions experienced lower than expected revenues largely due to temporarily reduced production capacity at a major client. Quantum Murray has started to realize revenues from an improved backlog.

Gross profit for the three and six months ended June 30, 2014 was $40,604 and $77,316 compared to $36,200 and $63,849 during the same periods in the prior year. This represents an increase of 12.2% and 21.1%, respectively. Gross margins were 23.5% and 22.4% for the three and six months ended June 30, 2014 compared to 20.4% and 19.9% during the same periods in the prior year. The margin increase was realized in both Quantum Murray and ClearStream. ClearStream saw margin improvements in several divisions, while Quantum Murray also realized improved margins in its Demolition division.

For the three and six months ended June 30, 2014, Tuckamore's three operating segments produced $16,753 and $30,455 of EBITDA for Tuckamore compared to $14,866 and $22,266 during the same periods in the prior year. Refer to the chart on the following page for EBITDA by operating partner.

Corporate administrative costs for three and six months ended June 30, 2014 were $972 and $1,953 compared to $1,336 and $2,480 during the same periods in the prior year. In addition, transaction costs associated with the Arrangement Agreement were incurred in the three months ended June 30, 2014 in the amount of $2,706.

Non-cash items that impacted the results were depreciation and amortization and deferred income taxes. Depreciation and amortization was $5,079 and $10,121 for three and six months ended June 30, 2014, compared to $6,580 and $13,164 during the same periods in the prior year.

For the three and six months ended June 30, 2014, interest costs were $6,497 and $14,862, compared to $8,442 and $16,598 in the prior year. Non-cash interest expense was $5,267 for the six months ended June 30, 2014 compared to $6,191 in the prior year period. Non-cash interest is the accretion expense related to the secured debentures and unsecured debentures, which were recorded at their fair values and accrete up to their face value using the effective interest method over the term of the debentures. The decrease in non-cash interest is a direct result of the settlement of the Unsecured Debentures on March 24, 2014. During the six months ended June 30, 2014, the operating segments had capital expenditures and capital lease payments of $6,459 compared to $5,158 during the six months ended June 30, 2013. The majority of these expenditures were incurred in the Industrial Services segment.

Net income for the three and six months ended June 30, 2014 was $655 and $2,799 compared to a net loss of $2,050 and $7,953 during the same periods of the prior year.

Adjusted EBITDA $000s	Q2 2014	Q2 2013	2014 vs. 2013
Marketing			
Gemma	(938)	155	(1,093)
IC Group	145	257	(112)
	$ (793)	$ 412	$ (1,205)
Industrial Services			
ClearStream	15,676	14,016	1,660
Quantum Murray	1,121	(424)	1,545
	$ 16,797	$ 13,592	$ 3,205
Other			
Gusgo	831	402	429
Titan	(82)	460	(542)
	$ 749	$ 862	$ (113)
Adjusted EBITDA from portfolio operations	$ 16,753	$ 14,866	$ 1,887
Corporate	(972)	(1,336)	364
Adjusted EBITDA from operations	$ 15,781	$ 13,530	$ 2,251

MARKETING

Gemma had a challenging quarter with lower revenues compared to the same quarter in the prior year. The decrease in revenues was primarily a result of a reduction in business volumes and program delays with certain clients.

IC Group results in the current quarter were lower when compared to the same period in the prior year. Clients continue to postpone projects and internalize some of their marketing functions.

INDUSTRIAL SERVICES

ClearStream experienced lower revenues in the current quarter compared to the prior year but realized gains and improvements in gross margin. The Wear, Fabrication and Conventional oil and gas maintenance divisions performed better in the current quarter compared to the same period in the prior year. Business volumes in the Oilsands division were temporarily lower than the same quarter in the prior year.

Quantum Murray's results have improved over the same quarter in the prior year. Better results stem from increased business volumes as a result of an improved backlog and the containment of costs on legacy projects.

OTHER

Gusgo's results in the second quarter of 2014 were slightly higher than the same period a year ago. Improved results are primarily due to an increase in drop shipments compared to the same period in the prior year.

Titan's results in the second quarter of 2014 were lower than the same quarter in the prior year. This is due to increased competition in the market place as well as costs associated with improving the organizational infrastructure. Lower drilling activity also affected the results for the quarter.

SEGMENT OPERATING RESULTS

MARKETING

The Marketing segment includes 100% of the results of Gemma and Tuckamore's 80% proportionate share of the results of IC Group. Although the Company is required to report interests in joint venture's using the equity method of accounting under IFRS 11 *Joint Arrangements*, management views the business as if the assets, liabilities, revenues and expenses of joint ventures (IC Group in the Marketing Segment) were proportionately consolidated. Proportionately consolidated results are used by management to make major strategic and operating decisions. As such, segment results include joint ventures as if they were proportionately consolidated.

Gemma	-	Integrated direct marketing company
IC Group	-	Provider of on-line promotional and loyalty programs and a provider of select insurance products

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Revenues	$ 6,718	$ 8,196	$ 13,363	$ 16,213
Cost of revenues	(4,249)	(5,246)	(8,370)	(10,370)
Gross profit	2,469	2,950	4,993	5,843
Selling, general and administrative expenses	(3,262)	(2,538)	(6,122)	(5,100)
Amortization expense	-	(782)	-	(1,564)
Depreciation expense	(112)	(112)	(221)	(239)
Interest expense	(17)	(37)	(27)	(24)
Income tax recovery - current	-	-	-	-
Income tax (expense) recovery - deferred	(7)	180	(7)	429
Loss for the period	$ (929)	$ (339)	$ (1,384)	$ (655)
Add:				
Amortization	-	782	-	1,564
Depreciation	112	112	221	239
Interest expense	17	37	27	24
Income tax recovery - current	-	-	-	-
Income tax expense (recovery) - deferred	7	(180)	7	(429)
EBITDA	$ (793)	$ 412	$ (1,129)	$ 743

(I) REVENUES

Revenues for the Marketing segment were $6,718 and $13,363 for the three and six month period ended June 30, 2014, an 18.0% and 17.6% decrease over comparative 2013 revenues of $8,196 and $16,213.

Gemma's revenue decreased due to the reduction in business volumes from a significant customer. Management is continuing to place a significant emphasis on business developments while carefully managing relationships with existing clients.

At IC Group clients in the financial services and food and beverage industry have postponed some projects and internalized other projects.

(II) GROSS PROFIT

Gross profit for the Marketing segment was $2,469 and $4,993 and gross margin percentages were 36.8% and 37.4% for the three and six months ended June 30, 2014. For the comparative periods ended June 30, 2013, gross profit was $2,950 and $5,843 and the gross profit margins was 36.0% for both comparative periods. Gemma has experienced a decline in gross profit primarily as a result of lower revenues, however a significant effort has been made to manage costs and improve operational efficiencies during a period of lower revenues. These efforts have resulted in a higher gross margin percentage compared to the same periods in the prior year. IC Group has experienced a slight increase in the period over period gross margin. Operational efficiencies achieved in the servicing of larger clients resulted in a higher gross margin percentage.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $3,262 and $6,122 for the three and six month period ended June 30, 2014 compared to $2,538 and $5,100 in 2013. These expenses as a percentage of revenues were 48.6% and 45.8% in 2014 compared to 31.0% and 31.5% during the same periods in 2013. The increase in the SG&A percentage is directly related to costs associated with changes made to Gemma's executive management team, increased marketing and a provision related to a claim made by a client against Gemma. All of these costs are non-recurring, one-time expenses.

INDUSTRIAL SERVICES

The Industrial Services segment includes 100% of the results of ClearStream and Quantum Murray. Although the company is required to report interests in joint venture's using the equity method of accounting under IFRS 11 Joint Arrangements, management views the business as if the assets, liabilities, revenues and expenses of joint ventures (joint ventures at ClearStream) were proportionately consolidated. Proportionately consolidated results are used by management to make major strategic and operating decisions. As such, segment results include joint ventures as if they were proportionately consolidated.

ClearStream	-	Provider of oil & gas maintenance, construction and wear technology services to both the conventional oil and gas industry and to the oil sands
Quantum Murray	-	National provider of demolition, remediation and scrap metal services

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Revenues	$ 170,526	$ 174,127	$ 341,009	$ 314,446
Cost of revenues	(131,051)	(139,249)	(265,989)	(252,993)
Gross profit	39,475	34,878	75,020	61,453
Selling, general and administrative expenses	(22,678)	(21,286)	(45,572)	(42,231)
Amortization expense	(1,726)	(1,904)	(3,440)	(3,817)
Depreciation expense	(3,275)	(4,047)	(6,523)	(7,369)
Interest expense	(2,657)	(3,075)	(5,263)	(6,026)
Income tax (expense) recovery - current	(21)	41	(27)	(100)
Income tax recovery - deferred	1,260	175	1,459	946
Income for the period	$ 10,378	$ 4,782	$ 15,654	$ 2,856
Add:	-	-	-	-
Amortization	1,726	1,904	3,440	3,817
Depreciation	3,275	4,047	6,523	7,369
Interest expense	2,657	3,075	5,263	6,026
Income tax expense (recovery)- current	21	(41)	27	100
Income tax recovery - deferred	(1,260)	(175)	(1,459)	(946)
EBITDA	$ 16,797	$ 13,592	$ 29,448	$ 19,222

	Three months ended June 30,				Six months ended June 30,			
	ClearStream		Quantum Murray		ClearStream		Quantum Murray	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenues	$ 133,714	$ 139,690	$ 36,812	$ 34,437	$ 272,372	$ 254,997	$ 68,637	$59,449
Cost of revenues	(103,975)	(110,884)	(27,076)	(28,365)	(215,465)	(204,511)	(50,524)	(48,482)
Gross profit	29,739	28,806	9,736	6,072	56,907	50,486	18,113	10,967
Selling, general and administrative expenses	(14,064)	(14,790)	(8,614)	(6,496)	(29,051)	(28,853)	(16,521)	(13,378)
Amortization expense	(1,418)	(1,458)	(308)	(446)	(2,837)	(2,925)	(603)	(892)
Depreciation expense	(2,165)	(2,574)	(1,110)	(1,473)	(4,263)	(4,356)	(2,260)	(3,013)
Interest expense	(2,500)	(3,000)	(157)	(75)	(5,035)	(5,900)	(228)	(126)
Income tax recovery (expense) - current	(21)	41	-	-	(27)	(100)	-	-
Income tax recovery (expense) - deferred	234	323	1,026	(148)	42	911	1,417	35
Income (loss) for the period	$ 9,805	$ 7,348	$ 573	$ (2,566)	$ 15,736	$ 9,263	$ (82)	$(6,407)
Add:								
Amortization	1,418	1,458	308	446	2,837	2,925	603	892
Depreciation	2,165	2,574	1,110	1,473	4,263	4,356	2,260	3,013
Interest expense	2,500	3,000	157	75	5,035	5,900	228	126
Income tax (recovery) expense - current	21	(41)	-	-	27	100	-	-
Income tax (recovery) expense - deferred	(234)	(323)	(1,026)	148	(42)	(911)	(1,417)	(35)
EBITDA	$ 15,675	$ 14,016	$ 1,122	$ (424)	$ 27,856	$ 21,633	$ 1,592	$(2,411)

(I) REVENUES

At ClearStream, revenues for the three and six months ended June 30, 2014 decreased by $5,976 and increased by $17,375 compared to the same periods in the prior year. The Wear division continued to experience strong demand for its product, resulting in a full order book. The Fabrication division has increased its capacity and successfully secured two large module contracts from notable clients in the oil and gas sector. The conventional oil and gas maintenance services division performed better than the same periods in the prior year due to a new client engagement. ClearStream has been impacted by some issues including client budget cutbacks and project delays. Revenues from the Oilsands division were significantly lower than the same periods in the prior year due to reductions in business volumes from a large client.

At Quantum Murray, revenues for the three and six months ended June 30, 2014 increased by $2,375 and $9,188, respectively. Current period revenues are now being impacted by higher revenue backlogs.

(II) GROSS PROFIT

Gross profit was $39,475 and $75,020 for the three and six months ended June 30, 2014 compared with $34,878 and $61,453 for the same periods in 2013. Gross profit margins for the three and six months ended June 30, 2014 were 23.1% and 22.0%, compared to 20.0% and 19.5% for the same periods in 2013.

ClearStream's gross profit for the three and six months ended June 30, 2014 increased by $933 and $6,421 over the same periods in the prior year. The gross margin percentage at the Wear and Fabrication divisions were up compared to the same period in the prior year resulting from improvements in operational efficiencies and better market conditions for the products and services offered in these divisions. Margins in both maintenance divisions were fairly consistent with the margins from the same periods in the prior year.

Quantum Murray's gross profit for the three and six months ended June 30, 2014 increased by $3,664 and $7,146 in comparison to the same periods in the prior year. Quantum Murray's results in 2013 were hampered by trailing results on a number of legacy projects in the Demolition division.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $22,678 and $45,572 for the three and six months ended June 30, 2014 compared to $21,286 and $42,231 during the comparative periods of 2013. Selling, general and administrative expenses as a percentage of revenues were 13.3% and 13.4% for the three and six month periods ended June 30, 2014 compared to 12.2% and 13.4% for the same periods in the prior year.

ClearStream's selling, general and administrative expenses for the three and six months ended June 30, 2014 decreased by $726 and increased by $198, respectively. The decrease in the three months ended June 30, 2014 is primarily due to a non-recurring, one time refund of workmen's compensation board ("WCB") premiums under WCB Alberta's Surplus Distribution Program. Overall selling, general and administrative expenses have increased slightly reflecting the cost of servicing increased business volumes in the Wear and Fabrication divisions and an increase in rents on leases which had to be renegotiated at market rates for leases that expired in 2014.

Quantum Murray's selling, general and administrative expenses for the three and six months ended June 30, 2014 increased by $2,118 and $3,143, or 32.6% and 23.5% over the same periods in the prior year. This increase is primarily related to planned investments in operational support and costs associated with the rebuilding of

Quantum Murray's organizational infrastructure to support business growth and improvements in existing processes. .

(V) SEASONALITY

ClearStream's revenues and profits are impacted by seasonality and weather conditions. For example, severe winter conditions and excessively rainy periods can delay equipment moves and thereby adversely affect revenues. Spring break-up typically occurs in March and April leaving many roads temporarily incapable of supporting heavy equipment travel, thereby negatively impacting ClearStream's business.

Quantum Murray's remediation activity can be reduced in the winter months, depending on assignment location and weather. The first quarter is typically the slowest quarter with activity levels picking up in the second and third quarters before tailing off again in November and December. In addition, due to the timing of large contracts, quarterly results can fluctuate.

OTHER

The Other segment includes Tuckamore's proportionate share of the results of Gusgo (80%) and Titan (92%). This segment also includes income from Tuckamore's equity investment in Rlogistics. Although the Company is required to report interests in joint venture's using the equity method of accounting under IFRS 11 *Joint Arrangements*, management views the business as if the assets, liabilities, revenues and expenses of joint ventures (Gusgo and Titan in the Other segment) were proportionately consolidated. Proportionately consolidated results are used by management to make major strategic and operating decisions. As such, segment results include joint ventures as if they were proportionately consolidated.

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

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Revenues	$ 9,800	$ 11,858	$ 23,086	$ 25,161
Cost of revenues	(6,212)	(8,117)	(15,067)	(17,213)
Gross profit	$ 3,588	$ 3,741	$ 8,019	$ 7,948
Selling, general and administrative expenses	(2,839)	(2,879)	(5,883)	(5,647)
Depreciation expense	(116)	(118)	(238)	(238)
Interest expense	(178)	(178)	(358)	(351)
Income tax recovery - current	-	8	-	-
Income tax expense - deferred	-	(22)	-	(30)
Income for the period	$ 455	$ 552	$ 1,540	$ 1,682
Add:				
Depreciation	116	118	238	238
Interest expense	178	178	358	351
Income tax recovery- current	-	(8)	-	-
Income tax expense - deferred	-	22	-	30
EBITDA	$ 749	$ 862	$ 2,136	$ 2,301

(I) REVENUES

Revenues for the other segment were $9,800 and $23,086 for the three and six months ended June 30, 2014, compared to $11,858 and $25,161 for the same periods in the prior year. This reflects a decrease of 17.4% and 8.2%, respectively.

Gusgo's business volumes with key clients were consistent with the same periods in the prior year.

Titan's revenues for the three month's ended June 30, 2014 were lower than in the same period of the prior year due to a decline in the sale of wear and rigging products resulting from lower drilling activity and the temporary impact of restructuring of the sales function. Titan's weak second quarter has resulted in the year-to-date unfavourable revenue comparison to the same period in the prior year.

(II) GROSS PROFIT

Gross profit was $3,588 and $8,019 for the three and six months ended June 30, 2014, compared with $3,741 and $7,948 for the same periods in 2013. Gross profit margins were 36.6% and 34.7% the three and six months ended June 30, 2014, compared to 31.5% and 31.6% for the same periods in the prior year.

Gusgo's gross profit the second quarter of 2014 was consistent with the same period a year ago.

Gross margins for Titan were slightly higher than in the same quarter of 2013. All product categories contributed to the gross margin increase, which was facilitated by the impact of changes to the sales function.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $2,839 and $5,883 for the three and six months ended June 30, 2014, compared with $2,879 and $5,647 for the same periods in 2013. These expenses as a percentage of revenues were 29.0% and 25.5% for the three and six month periods ended June 30, 2014, compared to 24.3% and 22.4% for the same periods in the prior year. Increased staff levels and a rebranding exercise at Titan are the main factors for the increase in selling, general and administrative expenses. The revised company rebranding should assist Titan in growing its market share. Gusgo's selling, general and administrative costs were in line with the same period in the prior year.

CORPORATE

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

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
General and administrative expenses	$ (972)	$ (1,336)	$ (1,953)	(2,480)
Amortization expense	(6)	(11)	(12)	(23)
Depreciation expense	(3)	(3)	(6)	(242)
Interest expense	(3,666)	(4,936)	(9,254)	(10,233)
Transaction costs	(2,706)	-	(2,706)	-
Income tax (expense) recovery - current	-	(10)	-	(9)
Income tax (expense) recovery - deferred	(1,896)	(749)	920	1,151
Loss for the period	$ (9,249)	$ (7,045)	$ (13,011)	$ (11,836)
Add:				
Amortization expense	6	11	12	23
Depreciation expense	3	3	6	242
Interest expense	3,666	4,936	9,254	10,233
Income tax expense (recovery) - current	-	10	-	9
Income tax expense (recovery) - deferred	1,896	749	(920)	(1,151)
EBITDA	$ (3,678)	$ (1,336)	$ (4,659)	$ (2,480)
Transaction costs	2,706	-	2,706	-
Adjusted EBITDA	$ (972)	$ (1,336)	$ (1,953)	$ (2,480)

(I) GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were $972 and $1,953 for the three and six months ended June 30, 2014, compared to $1,336 and $2,480 for comparative periods in 2013. The break-down of general and administrative expenses is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Salaries and benefits	$ 1,080	$ 1,261	$ 1,920	$ 2,116
Stock-based compensation expense	-	-	-	170
Audit, accounting and tax	263	377	365	475
Other costs, net	(371)	(302)	(332)	(281)
General and administrative expenses	$ 972	$ 1,336	$ 1,953	$ 2,480

The overall decrease in expenses year over year for both the current quarter and year to date is attributed to a reduced head count at corporate head office, the run-off in costs related to the stock based compensation expense and a reduction in the audit and tax fees.

(II) INTEREST EXPENSE

Interest expense for the three and six months ended June 30, 2014 was $3,666 and $9,254, compared to $4,936 and $10,233 for the comparative periods in the prior year. Interest expense relates to the senior credit facility and the Secured and Unsecured Debentures. On March 23, 2014 the Unsecured Debentures matured and this resulted in the overall decrease in interest expense for both the three and six months ended June 30, 2014.

(III) TRANSACTION COSTS

Transaction costs in the amount of $2,706 reflect costs associated with the Arrangement Agreement the Company had entered into on May 5, 2014.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The following table summarizes the major consolidated cash flow components:

Six months ended June 30,		2014		2013
Cash (used in) provided by operating activities	$	(4,195)	$	14,089
Cash used in investing activities		(3,212)		(1,815)
Cash used in financing activities		(8,513)		(3,214)
Consolidated cash	$	12,963	$	19,609

CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES

The following table provides a break-down of cash from operating activities by cash used in operations and changes in non-cash balances:

Six months ended June 30,		2014		2013
Cash provided by continuing operations	$	16,075	$	9,138
Changes in non-cash balances				
Accounts receivable		(14,981)		8,278
Inventories		(4,197)		501
Prepaids and other current assets		3,174		634
Accounts payable, accrued liabilities and deferred revenue		(4,266)		(4,462)
(Decrease) increase in cash due to changes in non-cash balances		(20,270)		4,951
Cash (used in) provided by operating activities	$	(4,195)	$	14,089

CASH USED IN INVESTING ACTIVITIES

For the six months ended June 30, 2014, cash used in investing activities totaled $3,212 compared to $1,815 for the comparative period in 2013. See table below for further details.

Six months ended June 30,		2014		2013
Purchase of property, plant and equipment, net of disposals		(3,426)		(2,082)
Net proceeds on disposal of properly, plant & equipment		448		497
Purchase of software		(234)		(240)
Increase in other assets		-		10
Cash used in investing activities	$	(3,212)	$	(1,815)

CASH USED IN FINANCING ACTIVITIES

For the six months ended June 30, 2014, cash used in financing activities was $8,513 compared to $3,214 in the comparative period in the prior year.

Six months ended June 30,		2014		2013
Repayment of long-term debt	$	(5,481)	$	(118)
Increase in cash held in trust		-		(20)
Repayment of capital lease obligations		(3,032)		(3,076)
Cash used in financing activities	$	(8,513)	$	(3,214)

FINANCING

THIRD AMENDED & RESTATED SENIOR CREDIT AGREEMENT

On March 9, 2012 Tuckamore completed an assignment (the "Assignment") to Bank of Montreal ("BMO") of its senior credit facility from Marret. In connection with the Assignment, BMO received an assignment of all of the rights and obligations of the Marret Lenders under the Senior Credit Facility. Tuckamore also entered into a third amended and restated credit agreement, providing improved borrowing terms to the Tuckamore group of companies (the "Amended Senior Credit Facility") and appointing BMO as agent. The maturity date of the senior credit facility is March 9, 2015. The Senior Credit Facility had an interest rate of prime plus 1.5%, and contained customary covenants which included interest coverage ratio, priority senior debt ratio and minimum EBITDA amount.

Effective November 13, 2012 Tuckamore reached an agreement to amend the financial covenants related to the Amended Senior Credit facility. The amended covenants include the interest coverage ratio, priority senior debt ratio and the minimum EBITDA amount. The amended covenants were in effect for three quarters commencing the quarter ended September 30, 2012. As part of the amendment, the interest rate on the Amended Senior Credit Facility was adjusted to prime plus 1.625%. The total cost of the amendment was 0.125% or $113.

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

Tuckamore is obligated to repay a portion of the senior credit facility prior to the maturity date of the senior credit facility based on proceeds from specified dispositions, proceeds from the issuance of equity instruments or based on excess operating cash flows as defined. In March 2014, Tuckamore repaid $5,481 representing 75% of excess cash flow for the fourth quarter of 2013.

At June 30, 2014 Tuckamore was in compliance with its debt covenants. There is a risk that the Company may not meet certain debt covenants in the future and without an amendment from its senior lenders, the senior credit facility and debentures would be due on demand and classified as current.

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

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

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

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

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 Unsecured Debentures matured on March 23, 2014 (the "Unsecured Debenture Maturity Date"). Interest accrued on the principal amount of the Unsecured Debentures at a non-compounding rate of 3.624% per annum, and was paid in cash in the amount of $2,887 at the Unsecured Debenture Maturity Date.

On March 24, 2014, pursuant to a mandatory conversion upon maturity, the Company satisfied the total principal owing under the Unsecured Debentures in the amount of $26,552. The principal was settled by the issuance of 8,493,143 common shares of the Company.

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

SOURCES OF FUNDING

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

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

WORKING CAPITAL

	June 30, 2014	December 31, 2013
Current assets	$ 200,532	$ 199,898
Current liabilities	155,773	105,196
Total working capital	$ 44,759	$ 94,702

The increase in current liabilities in the current period reflects the inclusion of the senior credit facility which matures in March 2015. On August 1, 2014 the maturity date of the Amended Senior Credit Facility was extended from March 9, 2015 to December 31, 2015 Please refer to the “Financing” section of the June 30, 2014 MD&A for more information.

CAPITAL EXPENDITURES

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

Six months ended June 30, 2014	Marketing	ClearStream	Quantum	Other	Eliminations	Total
Capital expenditures	$ 369	$ 1,844	$ 1,291	$ 258	$ (335)	$ 3,427
Finance lease repayments	22	2,338	672	35	(35)	$ 3,032
Total capital expenditures	$ 391	$ 4,182	$ 1,963	$ 293	$ (370)	$ 6,459

Six months ended June 30, 2013	Marketing	ClearStream	Quantum	Other	Eliminations	Total
Capital expenditures	$ 125	$ 1,563	$ 446	$ 50	$ (102)	$ 2,082
Finance lease repayments	51	2,087	938	179	(179)	$ 3,076
Total capital expenditures	$ 176	$ 3,650	$ 1,384	$ 229	$ (281)	$ 5,158

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, 2013 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 $61,128 at June 30, 2014 (December 31, 2013 - $61,128).

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 $46,699 at June 30, 2014 (December 31, 2013 - $49,896).

Deferred Taxes

Tuckamore has computed deferred income taxes based on temporary differences that are expected to reverse after June 30, 2014. In general, there are no material differences in the values for operating assets and liabilities such as accounts receivable, inventory and trade payables for the Operating Partnerships. There are, however, differences, for example between the carrying values of definite life intangibles (e.g. customer contracts) and indefinite life intangibles (e.g. brands) that arise as part of Tuckamore's accounting for its investments in the underlying Operating Partnerships. As one example, under IFRS, Tuckamore records intangible assets related to acquisitions and these assets typically have a lesser value for tax purposes depending on the manner in which the acquisition was structured. In this case, a deferred tax liability would be recorded for the difference. If Tuckamore was to divest one or more of its Operating Partnerships for an amount that is greater than the tax carrying value this would give rise to a taxable income because the proceeds would be greater than the tax value of the assets.

At June 30, 2014 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 26.0%.

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

ADDITIONAL INFORMATION

NEW STANDARDS AND INTERPRETATIONS

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2013, except for the adoption of new standards and interpretations effective as of January 1, 2014.

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

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

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

Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32

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

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

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

NEW STANDARDS AND INTERPRETATIONS THAT HAVE BEEN ADOPTED

A number of new standards, amendments to standards and interpretations were not yet effective as at January 1, 2014 and have not been applied in preparing these interim financial statements. Tuckamore's intention is to adopt the standards when they become effective.

The following is a brief summary of the new standard:

IFRS 9, Financial Instruments ("IFRS 9")

IFRS 9 as issued reflects the IASB's work to date on the replacement of Financial Instruments; Recognition and Measurements (IAS 39), and applies to the classification and measurements of financial assets and financial liabilities as defined in IAS 29. In November 2013, IASB issued a new version of IRFS 9 (IFRS 9 (2013)) which included the new hedge accounting requirements and some related amendments to IAS 39, Financial Instruments: Recognition and Measurements and IFRS 7, Financial Instruments: Disclosures. IFRS 9 (2013) does not have a mandatory effective date. The impact of this ongoing project will be assessed by the Company as remaining phases of the project are completed. The impact of IFRS 9 on Tuckamore's consolidated financial statements is not known at this time.

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

	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3
Revenues	$172,517	$172,538	$ 185,280	$ 174,250	$ 176,829	$ 157,103	$ 171,106	$ 143,401
Net income (loss)	655	2,144	(6,857)	(2,572)	(2,050)	(5,903)	(10,502)	(4,331)
Net income (loss) per share - basic	0.01	0.03	(0.09)	(0.04)	(0.03)	(0.08)	(0.15)	(0.06)

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 the ultimate resolution of these matters will not have a material effect on Tuckamore's consolidated financial statements.

A statement of claim has been filed by a former employee of Tuckamore alleging breach of contract, wrongful dismissal, defamation, and intentional interference with economic relations. The claim is for an amount of $6,500. The claim is being defended and management is of the opinion that the claim is without merit. The company has also made a counterclaim.

A statement of claim has been filed by a seller of a minority position in a subsidiary of Tuckamore in connection with the calculation of income as related to a promissory note forming part of the transaction. The claim is being defended and management feels the claim is without merit.

TRANSACTIONS WITH RELATED PARTIES

OWNERSHIP

As of June 30, 2014 directors, officers and employees, and operating partners related to Tuckamore beneficially hold an aggregate of 17,049,812 shares and options or 18.25% 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 $1,418 (December 31, 2013 - $1,467) made to the Operating Partnerships, based on the percentage not owned by the Company.

Income from long-term investments includes $209 and $418 of rent expense paid to related parties of Gusgo for the three and six months ended June 30, 2014 (2013 - $230 and $460). These transactions occurred in the normal course of business and are recorded at the exchange amount, which is the amount of 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 $67 and $135 for three and six months ended June 30, 2014 (2013 - $73 and $155).

Interest charged to joint venture Operating Partners on advances was $172 and $345 for the three and six months ended June 30, 2014 (2013 - $186 and $367).

Two operating leases for property, with quarterly rents of $99 and $75 are with a landlord in which certain executives of Tuckamore hold an indirect minority interest (2013 - nil).

Loans made to current and former employees of Tuckamore were outstanding in the amount of $1,309 and $1,335 as at June 30, 2014 and December 31, 2013. In accordance with the terms and conditions of the loans, the loans are interest bearing and used to fund the purchase of shares of Tuckamore or to refinance such purchases and are secured by a pledge of the shares.

THIRD QUARTER OUTLOOK

At ClearStream, despite revenue softness in lower margin areas, higher margin divisions are performing well and we expect to maintain our EBITDA forecasts in the coming quarter. ClearStream remains committed to its business development strategy and has recently added to its business development team. Business volumes remain high in both the Fabrication and Wear divisions. Growth will be carefully planned and monitored, and Tuckamore and ClearStream management will work closely to address the working capital needs of the business.

At Quantum Murray the third quarter outlook calls for continued improvement with the expectation that the organization will continue to grow its backlog and improve its success rate in bidding on medium and large projects. Management is also focused on fine tuning changes to its organizational infrastructure to improve margins and ensure that the business has the tools required for its longer-term growth and operational efficiency.

In the Marketing segment, the outlook calls for mixed results. At Gemma, the new management team has been very active in bidding on new business and aims to grow the sales pipeline throughout the third quarter. At IC Group, the core client base has reduced its project spending. Management is continuing its efforts to stabilize business volumes from its core client base while placing an increased focus on identifying and securing new clients.

In the Other segment, Titan expects to experience a challenging third quarter as a result of increased competition. Titan will continue to manage its overhead and inventory costs through the third quarter. Titan recently rebranded in an effort to improve the company's market recognition. Management is also continuing to strengthen Titan's business development and sales team for better market penetration. Gusgo is continuing to expect stable business volumes from its existing customer base and will continue to identify and target new customers that can be serviced at positive margins.

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

RISK FACTORS

There are no updates to Tuckamore's Risk Factors. For further discussion, refer to Tuckamore's MD&A or the AIF dated March 6, 2014 for the year ended December 31, 2013.

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, 2013 and have concluded that those disclosure controls and procedures were effective to ensure that information required to be disclosed by Tuckamore in its corporate filings is recorded, processed, summarized and reported within the required time period for the year then ended. The CEO and CFO have certified the appropriateness of the financial disclosures in Tuckamore's filings for the quarter ended June 30, 2014 with securities regulators, including this MD&A and the accompanying audited consolidated financial statements and that they are responsible for the design of the disclosure controls and procedures.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

There have been no changes in internal controls over financial reporting during the quarter ended June 30, 2014 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;

"BMO" – means Bank of Montreal;

"CEO" – means Chief Executive Officer;

"CFO" – means Chief Financial Officer;

"CICA" – means Canadian Institute of Chartered Accountants;

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

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

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

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

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

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

"IFRS" – means International Financial Reporting Standards;

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

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

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

"Operating Partnerships" – means businesses in which Tuckamore holds an ownership interest;

"Quantum Murray" – means Quantum Murray LP (formerly Murray Demolition LP) a limited partnership formed under the laws of Ontario;

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

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

"TSX" – means Toronto Stock Exchange

"Tuckamore" – means Tuckamore Capital Management Inc.