TUCKAMORE CAPITAL MANAGEMENT INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTER ENDED MARCH 31, 2012

Dear Shareholders:

As reported in March of this year, we were pleased to announce the refinancing of our senior debt. This was another milestone and tangible result in the restructuring of the Company which we have been working on over the last three years. Our longer term strategy has been to reduce debt and reduce the cost of our debt, and to sharpen the focus within our investment portfolio. Subsequent to the first quarter, we announced an agreement to sell our investment in Armstrong, one of our marketing businesses. This transaction will close in the second quarter and proceeds will pay down senior debt.

Our operating performance in the first quarter of 2012, although improved overall from a year ago, has been mixed. Results at ClearStream, our largest investment, were solid as it saw strong demand in both the conventional oil and oil sands sectors. Business is brisk in Alberta and a major challenge for us and other service providers is attracting and retaining the personnel resources to satisfy the demand. We have had good success with our human resources programs and this should allow us to continue to respond to our clients' growing needs in this market. The rest of the portfolio performed at levels similar to last year, apart from Quantum Murray. Results in the remediation divisions of Quantum Murray were as expected but we were disappointed in the performance at our demolition division. In particular, completion work at one project has taken longer than anticipated with resultant additional costs eroding gross margins. We are reviewing our tender and job management processes to ensure any future cost overruns are minimized.

We continue to have a solid business outlook, but we remain challenged by working capital restrictions and business processes within our demolition business. We are busy at our two core investments of ClearStream and Quantum Murray. ClearStream appears to have a solid business pipeline for the balance of the year, and projected global capital investment in the oil sands should provide additional short and long term opportunities for ClearStream. The remediation and metals divisions at Quantum Murray remain optimistic. While there have been some recent wins, continued success at the demolition division will depend on successful tendering and execution.

We look forward to improving our performance through 2012, and to providing a further update at our Annual General Meeting on June 27th.

Thank you for your continued support.

Dean T. MacDonald

President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS

MAY 15, 2012

The following is management's discussion and analysis ("MD&A") of the consolidated results of operations, balance sheets and cash flows of Tuckamore Capital Management Inc. ("Tuckamore") for the three months ended March 31, 2012 and 2011. This MD&A should be read in conjunction with Tuckamore's audited consolidated financial statements for the years ended December 31, 2011 and 2010.

All amounts in this MD&A are in Canadian dollars and expressed in '000's of dollars unless otherwise noted. The accompanying unaudited interim consolidated financial statements of Tuckamore have been prepared by and are the responsibility of management. The contents of this MD&A have been approved by the Board of Directors of Tuckamore, on the recommendation of its Audit Committee. This MD&A is dated May 15, 2012 and is current to that date unless otherwise indicated.

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

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

Capitalized terms are defined terms, their meaning is explained in the "Definitions" section located on page 27, and references to "we", "us", "our" or similar terms, refer to Tuckamore Capital Management Inc., unless the context otherwise requires.

INDEX

5 Industry Segments

6 First Quarter 2012 Performance

9 Segment Operating Results

17 Liquidity and Capital Resources

21 Critical Accounting Policies and Estimates

22 Additional Information

24 Subsequent Events

24 Second Quarter Outlook

25 Risk Factors

25 Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

27 Definitions

28 Financial Statements

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

Non-standard measures

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

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

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

Investors are cautioned that the Non-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 (formerly Newport Inc.,) 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 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 as a performance measure for its operating partners and segment results.

Operating Partner by Industry Segment	Business Description	Ownership Interest
Marketing		
Armstrong	Fully integrated marketing agency providing in-store promotional marketing, digital and social media marketing solutions	80%
Gemma	An outsourced contact centre operator providing outbound revenue generation and inbound customer care services	100%
IC Group	Provider of on-line promotional and loyalty programs and select insurance products	80%
Industrial Services		
ClearStream (formerly "NPC")	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%

FIRST QUARTER PERFORMANCE

SUMMARY RESULTS FROM CONTINUING OPERATIONS ($000s)

	Three months ended March 31	
	2012	2011
Revenues	$ 175,712	$ 138,637
Cost of revenues	(141,386)	(109,917)
Gross profit	34,326	28,720
Selling, general and administrative expenses	(27,854)	(24,084)
Amortization expense	(2,664)	(3,872)
Depreciation expense	(3,214)	(3,957)
Income from equity investments	-	372
Interest expense	(8,574)	(7,115)
(Loss) gain on debt extinguishment	(2,812)	37,451
Fair value adjustment on stock based compensation expense	-	(883)
Transaction costs	-	(1,178)
Income tax expense - current	-	(3)
Income tax recovery (expense) - deferred	2,395	(4,572)
(Loss) Income from continuing operations	$ (8,397)	$ 20,879
Add:		
Amortization	2,664	3,872
Depreciation	3,214	3,957
Interest expense	8,574	7,115
Income tax expense - current	-	3
Income tax (recovery) expense - deferred	(2,395)	4,572
EBITDA	$ 3,660	$ 40,398
Loss (gain) on debt extinguishment	2,812	(37,451)
Fair value adjustment on stock based compensation expense	-	883
Adjusted EBITDA	$ 6,472	$ 3,830

	March 31	December 31
Selected Balance Sheet Accounts	2012	2011
Total assets	$ 431,320	$ 452,852
Senior credit facility	94,555	95,705
Secured debentures	147,923	146,314
Unsecured debentures	15,240	14,215
Shareholders' equity	68,068	75,937

FIRST QUARTER 2012 RESULTS

Tuckamore's continuing operations from its portfolio investments are reported in its three operating segments: Marketing, Industrial Services and Other. Revenues for the three months ended March 31, 2012 were $175,712 compared to $138,637 in the first quarter of 2011, an increase of 26.7%. The increase was largely driven by the Industrial Services segment. The acquisitions of additional ownership in Golosky in February 2011 and Quantum Murray in September 2011 significantly contributed to the increase as well as ClearStream's addition of several new clients and higher business volumes from existing clients.

Gross profit for the three months ended March 31, 2012 was $34,326 compared to $28,720 in the prior year quarter, an increase of 19.5%. Gross margins were 19.5% for the three months ended March 31, 2012 compared to 20.7% in the first quarter of 2011. The margin decline was mostly at Quantum Murray due to higher costs on a larger Demolition project.

For the three months ended March 31, 2012, these three operating segments produced $8,697 of EBITDA for Tuckamore compared to $8,298 in the first quarter of 2011. Refer to the chart on the following page for EBITDA by operating partner.

Corporate costs for three months ended March 31, 2012 were $2,225 compared to $4,468 in the first quarter of 2011. The significant decrease is primarily related to costs incurred in the prior year with regards to the conversion to a corporation and professional fees for the transition to IFRS, transaction work related to the increase in ownership of Golosky, and a fair value adjustment relating to stock compensation expense. Similar costs were not incurred in the three month period ending March 31, 2012.

Non-cash items that impacted the results were depreciation and amortization, deferred income taxes and gain/loss on debt extinguishment. Depreciation and amortization was $5,878 for three months ended March 31, 2012, compared to $7,829 for the prior year quarter.

The refinancing of the senior debt facility in March 2012 was treated as an extinguishment of debt for accounting purposes. This resulted in a $2,812 expense comprised of the write-off of previously deferred financing costs and transaction costs related to the new credit facility.

The refinancing of Tuckamore's convertible debentures and interest owing thereon and the subordinated revolving credit facility resulted in the issue of new secured and unsecured debentures in the first quarter of 2011. The new debentures were recorded at their respective fair values, which were determined based on the weighted average trading prices over a given period. The difference between the fair value of the new debentures and the carrying value of the convertible debentures and related interest and the subordinated revolving credit facility, less all transactions costs, was recorded in the income statement as a gain on extinguishment of debt of $37,451 for the three month period ended March 31, 2011.

For the period ended March 31, 2012, interest costs were $8,574, compared with $7,115 in the prior period. Non-cash interest expense was $2,754 for the current period compared to $664 in the prior period. The increase in non-cash interest is due to the accretion expense related to the secured debentures and unsecured debentures, which were recorded at their fair values and accrete up to their face value using the effective interest method over the term of the debentures. During the quarter ended March 31, 2012, the operating segments had capital expenditures and capital lease payments of $2,823 compared to $1,346 in the first quarter of 2011. The majority of these expenditures were incurred in the Industrial Services segment.

Net loss for the three months ended March 31, 2012 from continuing operations was $8,397 compared to a net income of $20,879 in the same period of the prior year.

EBITDA		Q1 2012		Q1 2011		2012 vs. 2011
Marketing						
Armstrong	$	68	$	227	$	(159)
Gemma		548		380		168
IC Group		252		242		10
	$	868	$	849	$	19
Industrial Services						
ClearStream		5,312		4,177		1,135
Quantum Murray		887		1,578		(691)
	$	6,199	$	5,755	$	444
Other						
Gusgo		865		404		461
Titan		765		919		(154)
Rlogistics		-		371		(371)
	$	1,630	$	1,694	$	(64)
EBITDA from portfolio operations	$	8,697	$	8,298	$	399

INDUSTRIAL SERVICES

ClearStream's improved results for the three months ended March 31, 2012 reflect the Company's 100% ownership of Golosky for the entire period, and a strong performance of the underlying businesses. On a divisional basis higher conventional industrial services, fabrication and transportation revenues drove the improved results.

Quantum Murray had a challenging quarter, producing results that were down from the same quarter in the prior year. On a divisional basis, results were reduced at the demolition division, where fewer large industrial projects were in progress and cost overruns on one project impacted margins.

MARKETING

Results from the Marketing segment were relatively flat in comparison to the same period in the prior year. Gemma's positive results were eroded by Armstrong's negative results in comparison to the same period in the prior year. Although Gemma experienced a reduction in business from its largest client, they also experienced growth in revenues from other key clients and were able to improve their margins over the prior year. In comparison to the same period in the prior year, Armstrong experienced higher revenues as a result of increased spending from several existing clients; however margins were lower due to a shift in revenue to lower margin flow through purchased goods and services revenue. IC Groups results were comparable to the same quarter last year.

OTHER

Gusgo experienced significant growth over the same period in the prior year due to an increase in business from one of its larger customers. Furthermore, Gusgo was able to improve margins by careful cost management.

Titan experienced a decrease in business volumes primarily in the government sector as a result of lower demand for snow removal equipment due to a mild winter and a decrease in the well servicing/ transportation sector due to an earlier than expected spring break-up. Business in the commercial construction sector increased due to increased activity in the oil sands construction industry.

SEGMENT OPERATING RESULTS

MARKETING

The Marketing segment includes 100% of the results of Gemma and Tuckamore's 80% proportionate share of the results of Armstrong and IC Group.

Armstrong	-	Fully integrated marketing agency providing in-store promotional marketing, digital and social media marketing solutions
Gemma	-	Outsourced contact centre operator providing outbound revenue generation and inbound customer care services
IC Group	-	Provider of on-line promotional and loyalty programs and a provider of select insurance products

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended March 31	
	2012	2011
Revenues	$ 12,584	$ 11,963
Cost of revenues	(8,502)	(7,946)
Gross profit	4,082	4,017
Selling, general and administrative expenses	(3,214)	(3,168)
Amortization expense	(783)	(1,656)
Depreciation expense	(214)	(193)
Interest expense	(18)	(31)
Income tax (expense) recovery - deferred	(511)	329
Income (loss) for the period	$ (658)	$ (702)
Add:		
Amortization	783	1,656
Depreciation	214	193
Interest expense	18	31
Income tax expense (recovery) - deferred	511	(329)
EBITDA	$ 868	$ 849

(I) REVENUES

Revenues for the Marketing segment were $12,584, a 5.2% increase over 2011 revenues in the same quarter of $11,963.

The increase in revenues was primarily driven by Armstrong, where certain key clients increased their spending over the same period in the prior quarter.

Revenues at IC Group were generally in line with the same quarter in the prior year.

Gemma's revenues were improved in the first quarter of 2012, compared to the prior year as a result of increased volumes from several clients, which were offset by reduced volumes by one significant client.

(II) GROSS PROFIT

Gross profit for the Marketing segment was $4,082 and gross margin percentage was 32.4% for the three months ended March 31, 2012. For the comparative period ended March 31, 2011, gross profit was $4,017 and gross profit margin was 33.6%. The small decline in gross profit margin percentage was primarily related to Armstrong where there was a shift in revenue mix from fee based revenue to lower margin purchased goods and services revenue.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the three months ended March 31, 2012 were $3,214 compared to $3,168 in 2011. These expenses as a percentage of revenues were 25.5% in 2012 compared to 26.5% in 2011. Increases in selling, general and administrative expenses were minimal compared to the same quarter last year.

(IV) AMORTIZATION

Amortization expense decreased significantly due to the fact that the Armstrong and IC Group customer relationships were fully amortized subsequent to Q1 2011 and prior to Q4 2011. As such, there was customer relationship amortization only for Gemma in the first quarter of 2012.

INDUSTRIAL SERVICES

The Industrial Services segment includes 100% of the results of ClearStream and Quantum Murray (2011 – 64.3%).

ClearStream (formerly "NPC")	-	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 March 31	
	2012	2011
Revenues	$ 150,305	$ 114,476
Cost of revenues	(124,371)	(93,636)
Gross profit	25,934	20,840
Selling, general and administrative expenses	(19,735)	(14,896)
Amortization expense	(1,865)	(1,781)
Depreciation expense	(2,366)	(3,648)
Interest expense	(2,835)	(2,604)
Transaction costs	-	(189)
Income tax expense - current	-	(3)
Income tax (expense) recovery - deferred	(353)	2,650
Income (loss) for the period	$ (1,220)	$ 369
Add:		
Amortization	1,865	1,781
Depreciation	2,366	3,648
Interest expense	2,835	2,604
Income tax expense - current	-	3
Income tax expense (recovery) - deferred	353	(2,650)
EBITDA	$ 6,199	$ 5,755

	Three months ended March 31			
	ClearStream		Quantum Murray	
	2012	2011	2012	2011
Revenues	$ 103,017	$ 83,029	$ 47,288	$ 31,447
Cost of revenues	(86,216)	(68,824)	(38,155)	(24,812)
Gross profit	16,801	14,205	9,133	6,635
Selling, general and administrative expenses	(11,489)	(9,839)	(8,246)	(5,057)
Amortization expense	(1,409)	(999)	(456)	(782)
Depreciation expense	(1,610)	(2,779)	(756)	(869)
Interest expense	(2,766)	(2,510)	(69)	(94)
Transaction costs	-	(189)	-	-
Income tax expense - current	-	(3)	-	-
Income tax (expense) recovery - deferred	(333)	1,959	(20)	691
Income (loss) for the period	$ (806)	$ (155)	$ (414)	$ 524
Add:				
Amortization	1,409	999	456	782
Depreciation	1,610	2,779	756	869
Interest expense	2,766	2,510	69	94
Income tax expense - current	-	3	-	-
Income tax expense (recovery) - deferred	333	(1,959)	20	(691)
EBITDA	$ 5,312	$ 4,177	$ 887	$ 1,578

(I) REVENUES

Revenues from the Industrial Services segment were $150,305 for the three months ended March 31, 2012 compared with $114,476 in the prior year quarter, which reflects an increase of 31.3%.

Revenues at ClearStream increased $19,988 compared to the prior quarter due to the 20% increase in ownership of the Oilsands division in February 2011 as well as increased activity within several divisions. The Conventional Industrial Services division had a material favorable variance due to strong demand from existing clients as well as additional revenue from new clients across all regions.

The Fabrication division had a solid quarter with increased project revenue while the Wear division had decreased revenues in the current quarter. The Transportation division also had a strong quarter with increased demand for trucks, trailers and equipment.

At Quantum Murray revenues were favorable in the quarter primarily due to the increase in ownership in the third quarter of 2011. From an operational standpoint, revenues were mixed on a divisional basis. The environmental division was modestly ahead of the prior year primarily due to continued work on a large Hazmat project in British Columbia. The Demolition division had a disappointing quarter due to fewer large industrial demolition projects in Q1 2012 compared to Q1 2011. The Metals Division had a strong quarter with both increased volumes and pricing of scrap metals.

(II) GROSS PROFIT

Gross profit was $25,934 for the three months ended March 31, 2012 compared with $20,840 in 2011. Gross profit margins were 17.3% compared to 18.2% in 2011.

Gross profit at both ClearStream and Quantum Murray were increased from the prior year quarter primarily due to the increase in ownerships at both investments. These increases were offset by gross profit margin percentage declines at Quantum Murray's Demolition division as a result of cost overruns on a large project. The Environmental and Metals divisions had improved margins reflecting the increased revenue levels.

At ClearStream, the Wear and Oilsands divisions had lower margins directly related to lower revenues while the Fabrication and Industrial services divisions had improved margins directly related to increased revenues.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $19,735 for the three months ended March 31, 2012 compared to $14,896 in 2011. The increase in selling, general and administrative expenses reflects the increase in ownership at both investments. Selling, general and administrative expenses as a percentage of revenues were 13.1% for the three months ended March 31, 2012, a marginal increase over the 13.0% reported for the prior year quarter.

(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 and Titan. This segment also includes income from Tuckamore's equity investment in Rlogistics.

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 March 31	
	2012	2011
Revenues	$ 12,823	$ 12,198
Cost of revenues	(8,513)	(8,335)
Gross profit	$ 4,310	$ 3,863
Selling, general and administrative expenses	(2,680)	(2,541)
Amortization expense	-	(329)
Depreciation expense	(126)	(116)
Income from equity investments	-	372
Interest expense	(181)	(162)
Income tax recovery - deferred	10	71
Income for the period	$ 1,333	$ 1,158
Add:		
Amortization	-	329
Depreciation	126	116
Interest expense	181	162
Income tax recovery - deferred	(10)	(71)
EBITDA	$ 1,630	$ 1,694

(I) REVENUES

Revenues for the other segment were $12,823 for the three months ended March 31, 2012, compared to $12,198 in the prior year quarter, which reflects an increase of 5.1%. The increase was primarily driven by Gusgo.

Gusgo's revenues increased in the quarter primarily due to a new significant client and from increased volumes from existing clients.

Titan's revenues were in line with the same period in 2011.

(II) GROSS PROFIT

Gross profit was $4,310 for the three months ended March 31, 2012, compared with $3,863 for 2011. Gross profit margins were 33.6% the three months ended March 31, 2012 and 31.7% for prior year period.

Gusgo experienced an improvement in gross profit margins over the same period last year due to higher fuel cost recoveries and good storage cost management.

Gross margins for Titan were slightly reduced over first quarter 2011. The effect of milder weather on sales and the competitive pressures due to reduced demand in the market has negatively impacted gross margins.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $2,680 for the three months ended March 31, 2012, compared with $2,541 for 2011. These expenses as a percentage of revenues were 20.9% for three months ended March 31, 2012 and 20.8% for the prior year period. Increased staff levels at Titan and labour related costs are the main factors for the increase in selling, general and administrative expenses compared to prior year.

(IV) INCOME FROM EQUITY INVESTMENTS

Income from equity investments related to Tuckamore's ownership share of Rlogistics was $nil in for the three months ended March 31, 2012 compared to $372 in the prior year quarter.

CORPORATE

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

SUMMARY FINANCIAL TABLE ($000S)

	Three months ended March 31	
	2012	2011
General and administrative expenses	$ (2,225)	$ (3,479)
Amortization expense	(16)	(106)
Depreciation expense	(508)	-
Interest expense	(5,540)	(4,318)
(Loss) gain on debt extinguishment	(2,812)	37,451
Fair value adjustment to stock compensation expense	-	(883)
Transaction costs	-	(989)
Income tax recovery (expense) - deferred	3,249	(7,622)
(Loss) income for the period	$ (7,852)	$ 20,054
Add:		
Amortization expense	16	106
Depreciation expense	508	-
Interest expense	5,540	4,318
Income tax (recovery) expense - deferred	(3,249)	7,622
EBITDA	$ (5,037)	$ 32,100
Loss (gain) on debt extinguishment	2,812	(37,451)
Fair value adjustments to stock compensation expense	-	883
Adjusted EBITDA	$ (2,225)	$ (4,468)

(I) GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were $2,225 for the three months ended March 31, 2012, compared to $3,479 for 2011. The break-down of general and administrative expenses is as follows:

	Three months ended March 31	
	2012	2011
Salaries and Benefits	$ 1,336	$ 1,499
Stock-based compensation expense	528	785
Audit, accounting and tax	169	435
Other costs, net	192	760
General and administrative expenses	$ 2,225	$ 3,479

The decrease in salaries and benefits relates to a decrease in head count at head office. In 2011, general and administrative expenses included one-time costs associated with the first time adoption of IFRS and the costs to convert to a corporation.

(II) INTEREST EXPENSE

Interest expense was $5,540 for the three months ended March 31, 2012 compared to $4,318 for the prior year quarter. Interest expense relates to the senior credit facility, the revolving line of credit and the convertible debentures and subsequent to March 23, 2011 the Secured and Unsecured Debentures. On March 23, 2011 debentures holders approved a plan to exchange the accrued and unpaid interest with 3 year unsecured debentures. The increase in interest reflects the non-cash accretion expense relating to the

accretion of the debentures from initial fair value to the principal amount. This interest was offset to a degree by the lower interest costs on the senior credit facility.

(III) GAIN/LOSS ON DEBT EXTINGUISHMENT

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

For accounting purposes, the assignment of the senior credit facility 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 from the extinguished credit facility.

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

(V) TRANSACTION COSTS

During the period there was $nil (2011 - $989) incurred in transaction costs relating to acquisitions and conversion to a corporation.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The following table summarizes the major consolidated cash flow components:

Three months ended March 31		2012		2011
Cash used in operating activities	$	(8,258)	$	(20,768)
Cash provided by (used in) investing activities		744		(14,880)
Cash used in (provided by) financing activities		(1,971)		20,692
Consolidated cash (continuing and discontinued operations)	$	19,140	$	12,783

CASH FROM OPERATING ACTIVITIES

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

Three months ended March 31		2012		2011
Cash used in operations	$	1,180	$	(2,211)
Changes in non-cash balances				
Accounts receivable		1,232		(13,812)
Inventories		3,836		713
Other current assets		798		(2,894)
Accounts payable, accrued liabilities and deferred revenue		(15,304)		(629)
Increase (decrease) in cash due to changes in non-cash balances		(9,438)		(16,622)
Cash and distributions used in discontinued operations		-		(1,935)
Cash used in operating activities	$	(8,258)	$	(20,768)

CASH FROM INVESTING ACTIVITIES

Cash provided by investing activities totalled $1,419 compared to $14,880 cash used in investing activities in the prior year quarter. See table below for further details.

Three months ended March 31		2012		2011
Acquisition of businesses, net of cash acquired				
Gemma		-		(14,547)
		-		(14,547)
Purchase of property, plant and equipment, net of disposals		(1,481)		(46)
Net proceeds on disposal of properly, plant & equipment		48		202
Purchase of software		(14)		(477)
Proceeds on disposal of investment		2,500		-
Increase in other assets		(309)		-
Cash provided discontinued operations		-		(12)
Cash provided by (used in) investing activities	$	744	$	(14,880)

CASH USED IN FINANCING ACTIVITIES

Cash used in financing activities was $1,971 during the three months ended March 31, 2012 and cash provided by financing activities was $20,692 in the prior year quarter.

Three months ended March 31		2012		2011
Increase of long-term debt	$	-	$	19,766
Repayment of long-term debt		(2,400)		-
Increase (decrease) in cash held in trust		1,771		(638)
Repayment of capital lease obligations		(1,342)		(1,300)
Cash provided by discontinued operations		-		2,864
Cash (used in) provided by financing activities	$	(1,971)	$	20,692

FINANCING

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 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 March 31, 2012 total $94,555 with $60,000 of this amount as a revolving facility and the balance as a term facility. 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%, which rate can reduce 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.

		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 March 31, 2012	$	147,923	$	15,240
Accretion expense recorded in 2012	$	1,610	$	1,025
Accretion expense still to be recorded prior to maturity	$	28,305	$	11,312
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.

WORKING CAPITAL

	March 31, 2012	December 31, 2011
Current assets	$ 213,959	$ 230,100
Current liabilities	91,001	115,321
Working capital - excluding discontinued operations	122,958	114,779
Working capital - discontinued operations	-	2,866
Total working capital	$ 122,958	$ 117,645

CAPITAL EXPENDITURES

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

Three months ended March 31, 2012	Marketing	ClearStream	Quantum Murray	Other	Total
Capital expenditures	$ 55	$ 1,306	$ 99	$ 21	$ 1,481
Capital lease repayments	49	688	532	73	1,342
	$ 104	$ 1,994	$ 631	$ 94	$ 2,823

Three months ended March 31, 2011	Marketing	ClearStream	QM	Other	Total
Capital expenditures	$ 107	$ (47)	$ (37)	$ 23	$ 46
Capital lease repayments	42	1,202	56	-	1,300
	$ 149	$ 1,155	$ 19	$ 23	$ 1,346

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, 2011 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 $77,093 at March 31, 2012 (December 31, 2011 - $77,093).

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 $75,921 at March 31, 2012 (December 31, 2011 - $78,928).

Deferred Taxes

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

At March 31, 2012 Tuckamore has calculated a deferred tax liability related to differences that are expected to reverse in the future using the applicable estimated tax rate of approximately 25.4%.

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

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

ADDITIONAL INFORMATION

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations were not yet effective as at January 1, 2011 and have not been applied in preparing the consolidated financial statements. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. All other new standards are effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

The following is a brief summary of the new standards:

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

In November 2009, the IASB issued IFRS 9, which represented the first phase of its replacement of IAS 39. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard will be effective for Tuckamore's interim and annual consolidated financial statements commencing January 1, 2015. Tuckamore is assessing the impact of this new standard on its consolidated financial statements.

(ii) IFRS 10, Consolidation ("IFRS 10")

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

(iii) IFRS 11, Joint Arrangements ("IFRS 11")

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

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

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

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

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

(vi) Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, *Separate Financial Statements* (IAS 27), and IAS 28, *Investments in Associates and Joint Ventures* (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

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

	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2
Revenues	$175,712	$183,584	$161,106	$147,634	$138,637	$112,426	$116,737	$121,623
Net Income (loss) from continuing operations	(8,397)	(1,174)	2,689	(3,310)	20,878	61,376	(9,082)	(7,506)
Net income (loss)	(8,397)	(4,689)	15,836	(74)	20,772	38,651	(13,018)	(4,196)
Income (loss) per unit from continuing operations	(0.12)	(0.02)	0.04	(0.04)	0.29	0.86	(0.13)	(0.10)
Income (loss) per unit	(0.12)	(0.07)	0.22	0.00	0.29	0.54	(0.18)	(0.06)

CONTINGENCIES

LAWSUITS

Tuckamore and its Operating Partnerships are subject to claims and litigation proceedings arising in the normal course of operations. These contingencies are provided for when they are likely to occur and can be reasonably estimated. Management believes that the ultimate resolution of these matters will not have a material effect on Tuckamore's consolidated financial statements.

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

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

TRANSACTIONS WITH RELATED PARTIES

OWNERSHIP

As of March 31, 2012 directors, officers and employees, and operating partners related to Tuckamore beneficially hold an aggregate of 19,253,336 units or 22.4% 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 $1,538 (December 31, 2011 – $1,520) made to the Operating Partnerships.

Selling, general and administrative expenses includes $229 of rent expense paid to Gusgo for the three months ended March 31, 2012 (2011 - $357 includes rent paid to Gusgo and Quantum Murray). 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.

Loans made to current and former employees of Tuckamore were outstanding in the amount of $1,572 at March 31, 2012 and December 31, 2011. 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.

SUBSEQUENT EVENTS

As part of Tuckamore's strategy to dispose of non-core assets and reduce debt, on April 17, 2012, Tuckamore announced that it had entered into an agreement to sell its interest in Armstrong to the minority partner for gross proceeds of $5,400. The closing date is expected to occur on or about June 29, 2012. A net accounting gain of approximately $3,000 is expected to be recorded in the second quarter of 2012. Armstrong's results are reported under the marketing segment.

SECOND QUARTER OUTLOOK

During the first quarter of 2012, Tuckamore successfully completed the assignment of its senior debt facility to a Schedule A Canadian chartered bank at a much lower borrowing rate. Subsequently, Tuckamore completed the sale of the Armstrong Partnership LP for gross proceeds of $5,400. The proceeds from this sale will be used to reduce outstanding senior indebtedness. The reduction in borrowing costs and the sale of another non-core asset have further positioned Tuckamore for another quarter of continued stability and potential growth, as long as the economy continues to improve.

At ClearStream, the projected global capital investment in the oilsands and conventional oil and gas sectors should translate into additional project and maintenance work. The Wear and Fabrication divisions have signed new projects and more bidding opportunities for large multi-year projects have become available. The

Transportation sector has also completed its strongest quarter since inception and ongoing success and growth in this sector is expected, given sufficient capital expenditure funding.

At Quantum Murray, the outlook for the second quarter is mixed. The environmental division is expecting strong positive business volumes. The demolition division will experience increased difficulty in successfully bidding on large projects as competition increases. The demolition division is performing below expectations and a review of major projects is underway. With regards to the metals division, ferrous prices are expected to remain reasonably stable; although volumes are uncertain.

In the marketing segment, the outlook is mixed with results similar to the first quarter expected for the second quarter. At Gemma, the overall outlook remains positive as the focus will continue to be a diversification of its client base and increased opportunities from new clients. IC Group is anticipating maintaining their first quarter momentum with key clients well into the second quarter, with a focus on stimulating its specialized insurance business and continued growth with existing clients as they move more lines of business to the IC Group. Armstrong was sold at the beginning of the second quarter and the sale is expected to be finalized on or by June 29, 2012.

In the Other segment, the outlook is also mixed. At Titan, management expects to continue to see growth in oil sands maintenance and construction activity, whereas the other divisions are expecting stable revenues. Management will continue to focus on controlling expenses in an effort to maximize margins. Gusgo is expecting to maintain its solid and stable client base with volume increases from existing clients.

Corporate costs are expected to remain comparable to the first quarter.

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 30, 2012 for the year ended December 31, 2011.

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, 2011 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 March 31, 2012 with securities regulators, including this MD&A and the

accompanying audited consolidated financial statements and that they are responsible for the design of the disclosure controls and procedures.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

ADDITIONAL INFORMATION

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

Definitions

"AIF" – means Annual Information Form;

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

"BMO" – means Bank of Montreal;

"CEO" – means Chief Executive Officer;

"CICA" – means Canadian Institute of Chartered Accountants;

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

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

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

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

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

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

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

"IFRS" – means International Financial Reporting Standards;

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

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

"Marret" – means Marret Asset Management

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

"NPH" – means Newport Partners Holdings LP, a limited partnership formed under the laws of Ontario;

"Operating Partnerships" – means businesses in which Newport 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.