Amended and Restated Consolidated Interim Financial Statements of

TUCKAMORE CAPITAL MANAGEMENT INC.

Three and Nine Months Ended September 30, 2015 and 2014
(Unaudited)

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

	September 30, 2015		December 31, 2014	
Assets				
Current Assets:				
Cash	$	7,612	$	22,714
Cash and short-term investments held in trust		2,680		2,950
Accounts receivable		159,686		155,281
Inventories		26,592		22,215
Prepaid expenses		3,077		4,445
Other current assets		1,556		2,109
Current assets of discontinued operations and assets held for sale (note 2)		-		3,293
Total current assets	$	201,203	$	213,007
Property, plant and equipment (notes 3 and 4)		44,991		56,154
Long-term investments		18,277		21,773
Goodwill		61,128		61,128
Intangible assets (note 4)		32,187		38,506
Other assets		633		633
Deferred tax asset		2,944		531
Total assets	$	361,363	$	391,732
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities		70,261		68,841
Income tax payable		-		2,050
Deferred revenue		3,464		5,363
Current portion of obligations under finance leases		4,720		6,457
Senior credit facility (note 5)		58,515		67,253
Secured Debentures (note 5)		172,414		-
Current liabilities of discontinued operations and assets held for sale (note 2)		-		3,293
Total current liabilities	$	309,374	$	153,257
Obligations under finance leases		9,198		11,799
Secured debentures (note 5)		-		166,845
Shareholders' equity		42,791		59,831
Total liabilities & shareholders' equity	$	361,363	$	391,732

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

TUCKAMORE CAPITAL MANAGEMENT INC.

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

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014 Restated[1]	2015	2014 Restated[1]
Revenues	$ 154,415	$ 187,796	$ 434,087	$ 515,960
Cost of revenues	(122,935)	(151,197)	(351,567)	(408,383)
Gross profit	31,480	36,599	82,520	107,577
Selling, general and administrative expenses (note 6)	(19,201)	(22,191)	(58,221)	(64,959)
Amortization of intangible assets	(1,575)	(1,749)	(4,716)	(5,208)
Depreciation	(2,691)	(3,073)	(8,930)	(8,888)
Income from long-term investments	(469)	542	229	2,599
Interest expense, net	(6,280)	(6,493)	(18,535)	(21,336)
Restructuring costs	(2,978)	-	(6,892)	-
Transaction costs	-	(6,351)	-	(9,057)
Impairment of intangible assets and property, plant and equipment (note 4)	(5,221)	-	(5,221)	-
(Loss) income from continuing operations	$ (6,935)	$ (2,716)	$ (19,766)	$ 728
Income tax (expense) recovery - current	(77)	65	(96)	63
Income tax recovery (expense) - deferred (note 7)	1,349	993	4,800	3,363
(Loss) income from continuing operations	$ (5,663)	$ (1,658)	$ (15,062)	$ 4,154
Loss from discontinued operations (net of income taxes) (note 2)	$ (687)	$ (1,317)	$ (1,978)	$ (4,332)
Net loss and comprehensive loss	$ (6,350)	$ (2,975)	$ (17,040)	$ (178)
Basic and Diluted[2]:				
Net loss, per share (note 8)	$ (0.06)	$ (0.03)	$ (0.15)	$ (0.00)

The accompanying notes are an integral part of these financial statements.
[1]Certain amounts shown here do not correspond to the interim consolidated financial statements previously published for the three and nine months ended September 30, 2014. Please refer to note 12 for more details.
[2]The effect of stock options for the three and nine month periods ended September 30, 2015 and September 30, 2014 are anti-dilutive.

TUCKAMORE CAPITAL MANAGEMENT INC.

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

	Number of shares		Shareholders' Capital		Deficit		Contributed Surplus		Total Shareholders' Equity
Balance - January 1, 2015	109,941,241	$	461,758	$	(404,354)	$	2,427	$	59,831
Net loss and comprehensive loss for the period	-		-		(17,040)		-		(17,040)
Balance - September 30, 2015	109,941,241	$	461,758	$	(421,394)	$	2,427	$	42,791

	Number of shares		Shareholders' Capital		Deficit		Contributed Surplus		Total Shareholders' Equity
Balance - January 1, 2014	71,631,431	$	414,884	$	(387,107)	$	8,263	$	36,040
Net loss and comprehensive loss for the period	-		-		(178)		-		(178)
Shares issued upon settlement of Unsecured Debentures, net of tax (note 4)	8,493,143		23,552		-		-		23,552
Options exercised (note 4)	13,150,000		4,986		-		-		4,986
Issuance of common shares, net (note 4)	16,666,667		12,500		-		-		12,500
Balance - September 30, 2014	109,941,241	$	455,922	$	(387,285)	$	8,263	$	76,900

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

TUCKAMORE CAPITAL MANAGEMENT INC.

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

		Nine months ended September 30, 2015		Nine months ended September 30, 2014 Restated[1]
Cash provided by (used in):				
Operating activities:				
Net income (loss) for the period	$	(17,040)	$	(178)
Loss from discontinued operations (net of income tax) (note 2)		1,978		4,332
Items not affecting cash:				
Amortization of intangible assets		4,716		5,208
Depreciation		8,930		8,888
Deferred income tax recovery (note 7)		(4,800)		(3,363)
Income from equity investments, net of cash received		(119)		(201)
Non-cash interest expense		5,568		7,063
Amortization of deferred financing costs (note 5)		344		516
Impairment of intangible assets and property, plant and equipment (note 4)		5,221		-
Changes in non-cash working capital		(10,251)		(29,748)
Cash provided by (used in) discontinued operations (note 2)		720		505
Total cash (used in) provided by operating activities	$	(4,733)	$	(6,978)
Investing activities:				
Purchase of property, plant and equipment (note 3)		(3,187)		(4,489)
Net proceeds on disposal of property, plant and equipment		2,183		447
Purchase of software		-		(381)
Proceeds on the disposition of business (note 2)		5,050		-
Cash provided by (used in) discontinued operations (note 2)		(587)		(551)
Total cash used in investing activities	$	3,459	$	(4,974)
Financing activities:				
Repayment of long-term debt (note 5)		(8,934)		(22,968)
Decrease in cash held in trust		270		-
Proceeds from issuance of common shares, net (note 5)		-		12,500
Proceeds from the exercise of options for common shares (note 5)		-		4,986
Repayment of finance lease obligations		(5,031)		(4,942)
Cash used in discontinued operations (note 2)		-		(22)
Total cash used in financing activities	$	(13,695)	$	(10,446)
(Decrease) increase in cash		(14,969)		(22,398)
Cash, beginning of the year - continuing operations		22,714		28,565
Cash, beginning of the year - discontinued operations		(133)		318
Cash, end of period	$	7,612	$	6,485
Cash, end of period - continuing operations		7,612		6,235
Cash, end of period - discontinued operations		-		250
Supplemental cash flow information:				
Interest paid		9,272		13,305
Supplemental disclosure of non-cash financing and investing activities:				
Acquisition of property, plant and equipment through finance leases		1,143		6,237

The accompanying notes are an integral part of these financial statements.
[1]Certain amounts shown here do not correspond to the interim consolidated financial statements previously published for the quarter ended September 30, 2014. Please refer to note 12 for more details.

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

The consolidated interim financial statements were authorized for issue in accordance with a resolution of the directors of Tuckamore on January 26, 2016.

1. Significant accounting policies

a) Basis of Presentation

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

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

These consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2014.

b) Going Concern Uncertainty

These interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue its operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has two significant tranches of debt coming due on January 31, 2016 and March 23, 2016. The Company's operating facility with the Bank of Montreal in the amount of $58,735, as at September 30, 2015 is due on January 31, 2016. The Company's Secured Debentures in the amount of $176,228, as at September 30, 2015 is due on March 23, 2016. The Company's future success is ultimately dependant on its ability to refinance these two tranches of debt, fulfill any conditions of refinancing and obtain any required approval of any potential refinancing plan. These events or conditions result in material uncertainties that may cast doubt on the Company's ability to continue as a going concern.

On December 22, 2015 the Company announced a proposed debt refinancing (the "Refinancing Transactions") with a significant Shareholder, Canso Investment Counsel Ltd ("Canso"). The proposed Refinancing Transactions include the following:

i. $176,000 aggregate principal amount of 8% senior secured debentures due 2026

ii. $35,000 aggregate principal amount of 10% second lien secured convertible debentures due 2026. These debentures will be convertible into common shares of the company at $0.35. It is anticipated that up to $10,000 of the second lien secured convertible debentures will be made available to existing shareholders of the company.

On January 26, 2016, the Company announced that it had entered into a definitive purchase agreement and backstop commitment letter with Canso in respect of the Refinancing Transactions. As a condition to the completion of the Refinancing Transactions, the Company is required to sell certain assets with net proceeds of approximately $17,000. The Company has been actively pursuing the sale of sufficient assets in order to satisfy this condition. Based on expressions of interest received to date by the Company, management believes the value of certain asset sales will be sufficient to achieve the condition of refinancing, but significantly less than the carrying value of these assets, and the proceeds of any such sales will result in additional downward adjustment to the carrying values of the net assets to reflect the value at which these assets are ultimately sold, if at all. Such non-cash adjustments will be material to the Company's financial statements.

These interim consolidated financial statements do not reflect adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and interim consolidated balance sheet classifications that might be necessary if the Company is unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material. In the event that the Company is unsuccessful or is unable to complete the Refinancing Transactions, there may be significant doubt as to the Company's ability to continue as a going concern.

c) 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, 2015 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 standards:

(i) International Financial Reporting Standard 9, Financial Instruments

IFRS 9, Financial Instruments introduces new requirements for the classification and measurement of financial instruments, a new expected-loss impairment model that will require more timely recognition of expected credit losses and a substantially reformed model for hedge accounting, with enhanced disclosures about risk management activity. IFRS 9 also removes the volatility in profit or loss that was caused by changes in an entity's own credit risk for liabilities elected to be measured at fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company has not yet begun the process of evaluating the impact of this standard on its interim consolidated financial statements.

(ii) International Financial Reporting Standard 15, Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers was issued in May 2014, which will replace IAS 11, Construction Contracts, IAS 18 Revenue Recognition, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and Standard Interpretations Committee ("SIC") – 31, Revenue – Barter Transactions Involving Advertising Services. IFRS 15 provides a single, principles-based five-step model that will apply to all contracts with customers with limited exceptions. In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 was originally required for annual periods beginning on or after January 1, 2017. On April 28, 2015, the IASB agreed to publish an exposure draft proposing a one-year deferral of the effective date of the revenue standard to January 1, 2018. Earlier adoption is permitted. The Company has not yet begun the process of evaluating the impact of this standard on its interim consolidated financial statements.

2. Discontinued Operations

During the fourth quarter of 2014, Tuckamore concluded on the long-term strategic direction of Quantum Murray. The Metals business was generating losses and required a significant amount of management time. The planned disposition of Metals was approved by Tuckamore's board of directors and management commenced an active program to locate a buyer. By December 31, 2014 Tuckamore was in advanced negotiations to sell the business to a prospective buyer. Given the factors identified above, it was concluded the Metals division of Quantum Murray qualified as disposal group that was held for sale and was accounted for as a discontinued operation. From this point onward, the Metals division was no longer presented in the Segment note under Industrial Services and Quantum Murray.

On March 31, 2015, Tuckamore sold a majority of the net assets of Thomson Metals and Disposal LP for cash proceeds of $300. This resulted in an accounting loss of approximately $373. The net assets of the Waste business were retained by Quantum Murray and as such the impairment loss originally recognized on these assets at December 31, 2014 was reversed. The amount of the write-up did not exceed the impairment loss previously recognized.

(In thousands of Canadian dollars)

On April 23, 2015 RGC Canada LP ("RGC"), an 80% joint venture of the Company, entered into an agreement to sell its 45% interest in RLogstics for $1,900. The proceeds were first used to settle $1,350 in advances owing to RGC, with the balance being used to purchase RGC's partnership interest in RLogistics of approximately ($194). This resulted in an accounting gain of approximately $744, or $594 for the Company's 80% interest. Tuckamore's 80% joint venture interest in RGC is accounted for using the equity method of accounting and represented under the Other segment in the Segment note.

On July 31, 2015 the Company sold its 80% interest in IC Group for proceeds of $2,500. This transaction resulted in an accounting loss of approximately $900. The proceeds were used to repay $2,450 of the senior credit facility, with the balance being retained for the payment of transaction costs.

On September 30, 2015 the Company sold its 100% interest in Gemma Communications ("Gemma") for proceeds of up to $7,000. The transaction consideration consisted of an initial purchase price of $4,000, of which $2,500 was paid at closing with the remainder payable in instalments, plus an earn out of up to $3,000 based on future revenues up to December 2016. To estimate the fair value of the contingent consideration, management applied a deterministic approach. The fair value measurement was categorized as a level 3 measurement under IFRS 13 due to the fact that the inputs cannot be corroborated by market data. This approach required management to estimate the payout associated with the probability-weighted average of outcomes. Judgement was required in estimating the quarterly revenues of Gemma from the October 1, 2015 to December 31, 2016. As such, management determined the purchase price of this transaction to be $5,000. This transaction resulted in an accounting gain of approximately $961. Cash proceeds of $2,500 were used to repay $2,300 of the senior credit facility, with the balance being retained for the payment of transaction costs.

The following table shows the revenue and net income (loss) from discontinued operations for the nine month periods ended September 30, 2015 and 2014:

	Industrial Services		**Marketing**		**Total**	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenue	3,480	17,474	8,842	12,498	12,322	29,972
Expenses	(5,617)	(19,698)	(10,722)	(14,996)	(16,339)	(34,694)
Loss before taxes	(2,137)	(2,224)	(1,880)	(2,498)	(4,017)	(4,722)
Reversal of Impairment loss previously recognized on the remeasurement of the Waste business net assets	2,645	-	-	-	2,645	-
Loss on sale of discontinued operations	(373)	-	61	-	(312)	-
Income from equity investments	-	-	(221)	394	(221)	394
Income tax recovery - deferred	-	-	(73)	(4)	(73)	(4)
Net income (loss) from discontinued operations	$ 135	$ (2,224)	$ (2,113)	$ (2,108)	$ (1,978)	$ (4,332)
Net loss per share - basic	$ (0.00)	$ (0.03)	$ (0.02)	$ (0.03)	$ (0.02)	$ (0.05)
Net loss per share - diluted	$ (0.00)	$ (0.03)	$ (0.02)	$ (0.03)	$ (0.02)	$ (0.05)

(In thousands of Canadian dollars)

The major classes of assets and liabilities of Thomson Metals classified as held for sale at December 31, 2014 were as follows:

For the period ending,	December 31, 2014
Assets	
Accounts receivable	1,939
Inventory	1,354
	3,293
Liabilities	
Accounts payable & accrued liabilities	2,290
Capital lease obligation	543
Other liabilities	460
	3,293
Net assets directly associated with the disposal group	-

The net cash flows incurred by discontinued operations were as follows:

For the period ending,	September 30, 2015	September 30, 2014
Operating	720	505
Investing	(587)	(551)
Financing	-	(22)
Net cash (outflow) / inflow	133	(68)

3. Property, plant and equipment

During the nine months ended September 30, 2015, the Company acquired assets with a cost of $4,330, including equipment under finance leases of $1,143 (September 30, 2014 - $10,926, including equipment under finance leases of $6,437).

a) Collateral:

As at September 30, 2015, property, plant and equipment of consolidated entities and joint ventures with a carrying amount of $28,598 and $1,222, respectively are subject to a general security agreement under the senior credit facility (December 31, 2014 - $35,644 and $2,107).

b) Capital Commitments:

As at September 30, 2015, Tuckamore had $996 of capital commitments for the acquisition of new equipment (December 31, 2014 - $322).

(In thousands of Canadian dollars)

4. Impairment of intangible assets and property, plant and equipment

Indicators of impairment were identified at the Quantum Murray LP and Titan CGUs. Although revenues at Quantum Murray LP have increased over the same period in the prior year, the business has experienced losses and a decline in margins as management continues to work through the final stages of rationalizing its cost structure and implementing business process improvements.

Based on expressions of interest received for the purchase of Titan and Quantum Murray LP in January 2016, Quantum Murray LP and Titan's recoverable amount is approximately $20,000, indicating a shortfall to carrying value of approximately $38,790. IAS 36 – Impairment of Assets limits the write down to the Fair Value Less Cost to Sell ("FVLCS") of individual long lived assets where the assets are not classified as held for sale. As such, the Company has recorded an impairment charge of approximately $3,544, related to fixed assets of Quantum Murray LP and $1,677, related to intangible assets of Quantum Murray LP, which have been reflected as a separate line item in the income statement. The impairment charge was allocated to the industrial services operating segment.

The recoverable amount was based on an estimate of FVLCS of the Quantum Murray LP CGU. This was determined using Level 3 inputs under IFRS including indicative business sale transactions, fixed asset appraisals and auction results for certain types of equipment. The impairment charge recorded is most sensitive to the fixed asset appraisals and auction results used to determine the FVLCS of the individual assets.

The result of the impairment identified above has resulted in the restatement of amounts and balances previously published in the consolidated interim financial statements for the three and nine months ended September 30, 2015. Below is a table detailing the impact of the restatement on the consolidated interim balance sheets and the consolidated interim statement of loss and comprehensive loss.

	Original Balance	Restatement	Restated Balance
Consolidated Interim Balance Sheet (September 30, 2015)			
Property, plant and equipment	48,535	(3,544)	44,991
Intangible assets	33,864	(1,677)	32,187
Shareholder's Equity	48,012	(5,221)	42,791
Consolidated interim statement of loss and comprehensive loss (Three months ended September 30, 2015)			
Impairment of intangible assets and property, plant and equipment	-	(5,221)	(5,221)
Loss from Continuing Operations	(1,714)	(5,221)	(6,935)
Net loss and comprehensive loss	(1,129)	(5,221)	(6,350)
Consolidated interim statement of loss and comprehensive loss (Nine months ended September 30, 2015)			-
Impairment of intangible assets and property, plant and equipment	-	(5,221)	(5,221)
Loss from Continuing Operations	(14,545)	(5,221)	(19,766)
Net loss and comprehensive loss	(11,819)	(5,221)	(17,040)

5. Senior credit facility and debentures

a) Senior credit facility

On March 9, 2012 Tuckamore completed an assignment (the "Assignment") to Bank of Montreal ("BMO") of its senior credit facility. The Senior Credit Facility has 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.

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. On August 1, 2014 Tuckamore issued 16,666,667 shares to Orange Capital Master l, Ltd. ("Orange Capital") for $0.80 per share (the "Private Placement"). Tuckamore received gross proceeds of $13,333 of which net proceeds of $12,500 were used to reduce outstanding senior indebtedness under the Senior Credit Agreement. In conjunction with the Private Placement and repayment of debt from net proceeds, the Company obtained approval from the lenders under its Senior Secured Credit Facilities to extend the maturity date of the Senior Credit Facility from March 9, 2015 to December 31, 2015. The total cost of the amendment was 0.175% or $149.

During the year ended December 31, 2014 options were exercised by management, resulting in the issuance of 13,150,000 common shares. Proceeds of $4,986, from all options exercised during the year, were used to reduce outstanding senior indebtedness under the Company's Senior Credit Agreement.

During the second quarter of 2015, Tuckamore repaid $4,184 of the Senior Credit Facility. On May 22, 2015 a payment of $2,184 was made on account of 75% of the excess cash flow from the first quarter of 2015. The second payment of $2,000 was made on June 26, 2015 and was a voluntary permanent repayment. During the third quarter of 2015 Tuckamore repaid $4,750 of the Senior Credit Facility using proceeds from dispositions. Please refer to the discontinued operations note for more information.

On June 26, 2015 Tuckamore reached an agreement to amend the financial covenants ("the Fourth Amending Agreement") related to the Senior Credit Facility. The amended covenants included the interest coverage ratio, priority senior debt ratio and the minimum EBITDA amount, and are in effect for all quarters, from June 30, 2015 through to December 31, 2015. The total cost of the amendment was $148.

At September 30, 2015 Tuckamore was in compliance with its financial 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.

Advances outstanding under the Amended Senior Credit Facility at September 30, 2015 total $58,735. The entire balance of the Amended Senior Credit Facility is now a revolving facility, as the balance of the term facility was paid off in the third quarter with proceeds from dispositions of businesses. The full amount of the revolving facility was drawn at September 30, 2015.

(In thousands of Canadian dollars)

Senior credit facility at January 1, 2014	$	90,637
Repayments		(22,968)
Total senior credit facility at December 31, 2014	$	67,669
Repayments		(8,934)
Total senior credit facility at September 30, 2015	$	58,735
Deferred finance costs at January 1, 2014		(802)
Additional deferred financing costs incurred on the senior credit facility		(149)
Amortization of deferred financing costs		535
Deferred finance costs at December 31, 2014		(416)
Additional deferred financing costs incurred on the senior credit facility		(148)
Amortization of deferred financing costs		344
Deferred finance costs at September 30, 2015		(220)
Net Balance of senior credit facility at September 30, 2015	$	58,515

b) Secured and unsecured debentures

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

On March 24, 2014, pursuant to a mandatory conversion upon maturity, the Company satisfied the total principal owing under the Unsecured Debentures in the amount of $26,552. The principal was settled by the issuance of 8,493,143 common shares of the Company. The impact of settling the Unsecured Debentures for common shares of the Company resulted in a future tax recovery of $3,000. Interest accrued on the principal amount of the Unsecured Debentures at a non-compounding rate of 3.624% per annum, and was paid in cash in the amount of $2,887 on March 23, 2014.

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. For the period ended September 30, 2015 the secured debentures have been classified as a current liability on the balance sheet.

(In thousands of Canadian dollars)

		Secured Debentures
Issue date		March 23, 2011
Principal Amount	$	176,228
Interest Rate		8.0%
Carrying value at September 30, 2015	$	172,414
Accretion expense recorded in 2015	$	5,568
Accretion expense remaining to be recorded prior to maturity	$	3,814
Maturity Date		March 23, 2016

6. Selling, General & Administrative Expenses

		Three months ended September 30,				Nine months ended September 30,		
		2015		2014 Restated (note 11)		2015		2014 Restated (note 11)
Salaries & Benefits	$	9,562	$	13,613	$	29,332	$	37,216
Occupancy Costs		4,307		3,837		12,904		12,265
Consulting		552		843		2,284		2,846
Travel		982		1,256		3,135		2,948
Repairs & Maintenance		997		1,348		3,336		3,910
Office Expenses		504		89		1,546		1,232
Audit & Accounting		343		327		1,266		1,249
Other		1,954		878		4,418		3,293
Total SG&A	$	19,201	$	22,191	$	58,221	$	64,959

7. Income taxes

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

		Three months ended September 30,				Nine months ended September 30,		
		2015		2014		2015		2014
Total current income tax recovery (expense)	$	(77)	$	65	$	(96)	$	63
Deferred income tax recovery:								
Origination and reversal of temporary differences		1,349		993		4,800		348
Deferred tax due to changes in tax rates		-		-		-		15
Deferred tax due to settlement of Unsecured Debentures		-		-		-		3,000
Total deferred income tax (expense) recovery	$	1,349	$	993	$	4,800	$	3,363

(In thousands of Canadian dollars)

8. (Loss) income per share

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

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

Three months ended September 30,		2015		2014
Numerator:				
Net loss and comprehensive loss	$	(6,350)	$	(2,975)
Denominator:				
Weighted average number of shares outstanding (basic)		109,941		99,097
Effect of stock options vested[1]		-		-
Weighted average number of shares outstanding (diluted)		109,941		99,097

Nine months ended September 30,		2015		2014
Numerator:				
Net loss and comprehensive loss	$	(17,040)	$	(178)
Denominator:				
Weighted average number of shares outstanding (basic)		109,941		83,983
Effect of stock options vested[1]		-		-
Weighted average number of shares outstanding (diluted)		109,941		83,983

[1]The effect of vested stock options at September 30, 2015 was anti-dilutive.

9. Contingencies

Tuckamore and its Operating Partnerships are subject to claims and litigation proceedings arising in the normal course of operations. These contingencies are provided for when they are likely to occur and can be reasonably estimated. Management believes that these claims are without merit and as such they are being rigorously defended.

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

In March 2015, the Company was advised by Brompton Corp. ("Brompton") that Brompton has received notices of reassessment from the Canada Revenue Agency (the "CRA") in which the CRA has denied the deduction to Brompton of certain non-capital losses and other tax attributes in computing Brompton's income for the 2010 to 2014 taxation years. Brompton is seeking indemnification in the amount of $4,044 from Tuckamore Holdings LP, representing approximately 40% of its taxes, losses or costs, pursuant to certain agreements entered into by Tuckamore Holdings LP prior to the sale of its interest in Brompton.

Tuckamore previously announced, in September 2014, that it had been notified by Brompton that in the event that Brompton is subject to taxes assessed by CRA or incurs losses or costs associated with the CRA's review, it would be seeking indemnification for approximately 40% of these taxes, losses or costs pursuant to agreements entered into by Tuckamore Holdings LP. Tuckamore Holdings LP, a wholly-owned subsidiary of Tuckamore, previously held approximately 40% of the outstanding equity of Brompton. Tuckamore Holdings LP sold its Class A shares in Brompton in September 2011.

On June 12, 2015, Brompton served Tuckamore and certain of its affiliates with a Statement of Claim seeking among other things, indemnification in the amount of 40% of the CRA's notices of reassessment for the 2010-2012 taxation years. On July 13, 2015, Tuckamore and its affiliates served their Statement of Defence denying Brompton's allegations and relying on, among other things, a corresponding warranty and indemnity provided by Brompton to Tuckamore. The Company has not provided for any amount with respect to this matter in its consolidated interim financial statements for the period ending September 30, 2015.

(In thousands of Canadian dollars)

10. Related party disclosures

a) Advances to operating partnerships

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

As at	September 30, 2015	December 31, 2014
Net advances to joint venture operating partners	$ 1,479	$ 1,418

b) Employee loans

Employee loans were made to certain management and employees in 2006 and 2007. In accordance with the terms and conditions, the loans bear interest at prime, were used to purchase shares of Tuckamore and are collateralized by shares and in certain cases personal guarantees. The loan balance was $781 as at September 30, 2015 and $1,059 at December 31, 2014.

c) Other related party transactions

Income from long-term investments includes $209 and $627 of rent expense paid to a company owned by the minority shareholder of Gusgo for the three and nine months ended September 30, 2015 (2014 - $209 and $627). Tuckamore shared space and services with a business which employs one of its former directors, and paid $nil for the three and nine months ended September 30, 2015 (September 30, 2014 - $69 and $208) for such services. Interest charged to joint venture Operating Partners on advances was $170 and $509 for the three and nine month periods ended September 30, 2015 (September 30, 2014 - $189 and $565). Two operating leases for property, with quarterly rents of $153 are with a landlord in which certain executives of Tuckamore hold an indirect minority interest (2014 - $183 quarterly for three operating leases). 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.

11. Segmented information

As of September 30, 2015, Tuckamore has three reportable operating segments, each of which has separate operational management and management reporting information. A majority of Tuckamore's operations, assets and employees are located in Canada. The industrial services segment includes two reportable operating segments and represents investments in a fully integrated provider of mid-stream production services to the energy industry and a provider of demolition contract services and site remediation services. The other segment includes a distributor and manufacturer of rigging products and services, and ground engaging tools to the oil and gas and construction sectors. The other segment also includes a container transportation business. The corporate segment includes head office administrative and financing costs incurred by Tuckamore. The eliminations column represents adjustments required to reconcile Tuckamore's segmented reporting, to the reporting on the consolidated balance sheets and the consolidated statement of income (loss) and comprehensive income (loss). This column represents adjustments required to account for joint ventures under IFRS 11.

(In thousands of Canadian dollars)

Three months ended September 30, 2015	Industrial Services		Other	Corporate	Eliminations	Total
	ClearStream	Quantum Murray				
Revenues	$ 117,105	$ 37,752	$ 8,056	$ -	$ (8,498)	$ 154,415
Cost of revenues	(91,720)	(31,551)	(5,598)	-	5,934	(122,935)
Gross profit	25,385	6,201	2,458	-	(2,564)	31,480
Selling, general and administrative	(11,402)	(6,441)	(2,848)	(1,378)	2,868	(19,201)
Amortization of intangible assets	(1,408)	(163)	-	(4)	-	(1,575)
Depreciation	(1,988)	(698)	(151)	(5)	151	(2,691)
Income from long-term investments	-	-	-	-	(469)	(469)
Interest expense	(2,120)	(248)	(172)	(3,740)	-	(6,280)
Restructuring costs	(282)	(2,696)	-	-	-	(2,978)
Impairment of intangible assets and property, plant and equipment	-	(5,221)	-	-	-	(5,221)
Income (loss) before income taxes	$ 8,185	$ (9,266)	$ (713)	$ (5,127)	$ (14)	$ (6,935)
Income tax (expense) recovery - current	(13)	-	-	(76)	12	(77)
Income tax recovery (expense) - deferred	380	(251)	(2)	1,220	2	1,349
Net income (loss)	$ 8,552	$ (9,517)	$ (715)	$ (3,983)	$ -	$ (5,663)
Add back:						
Interest expense	2,120	248	172	3,740	-	6,280
Amortization	1,408	163	-	4	-	1,575
Depreciation	1,988	698	151	5	(151)	2,691
Income tax (recovery) expense - current	13	-	-	76	(12)	77
Income tax expense (recovery) - deferred	(380)	251	2	(1,220)	(2)	(1,349)
EBITDA	$ 13,701	$ (8,157)	$ (390)	$ (1,378)	$ (165)	$ 3,611
Total assets as at: September 30, 2015	252,183	71,670	22,233	20,257	(4,980)	361,363
Total liabilities as at: September 30, 2015	88,366	52,393	23,574	159,217	(4,978)	318,572

(In thousands of Canadian dollars)

Nine months ended Septembere 30, 2015	Industrial Services		Other	Corporate	Eliminations	Total
	ClearStream	Quantum Murray				
Revenues	$ 329,245	$106,921	$ 26,099	$ -	$ (28,178)	$434,087
Cost of revenues	(261,120)	(92,051)	(17,610)	-	19,214	(351,567)
Gross profit	68,125	14,870	8,489	-	(8,964)	82,520
Selling, general and administrative	(35,165)	(20,150)	(8,716)	(2,967)	8,777	(58,221)
Amortization of intangible assets	(4,218)	(487)	-	(12)	1	(4,716)
Depreciation	(5,998)	(2,919)	(442)	(14)	443	(8,930)
Income from long-term investments	-	-	-	-	229	229
Interest expense	(6,422)	(756)	(511)	(10,848)	2	(18,535)
Restructuring costs	(2,889)	(4,003)	-	-	-	(6,892)
Gain on sale of investment	-	-	595	-	(595)	-
Impairment of intangible assets and property, plant and equipment	-	(5,221)	-	-	-	(5,221)
Income (loss) before income taxes	$ 13,433	$ (18,666)	$ (585)	$ (13,841)	$ (107)	$(19,766)
Income tax expense - current	(77)	-	-	(96)	77	(96)
Income tax recovery (expense) - deferred	896	(372)	(30)	4,276	30	4,800
Net income (loss)	$ 14,252	$ (19,038)	$ (615)	$ (9,661)	$ -	$(15,062)
Add back:						
Interest expense	6,422	756	511	10,848	(2)	18,535
Amortization	4,218	487	-	12	(1)	4,716
Depreciation	5,998	2,919	442	14	(443)	8,930
Income tax expense - current	77	-	-	96	(77)	96
Income tax expense (recovery) - deferred	(896)	372	30	(4,276)	(30)	(4,800)
EBITDA	$ 30,071	$ (14,504)	$ 368	$ (2,967)	$ (553)	$ 12,415
Total assets as at: September 30, 2015	252,183	71,670	22,233	20,257	(4,980)	361,363
Total liabilities as at: September 30, 2015	88,366	52,393	23,574	159,217	(4,978)	318,572

(In thousands of Canadian dollars)

Three months ended September 30, 2014	Marketing	Industrial Services		Other	Corporate	Eliminations	Total
		ClearStream	Quantum Murray				
Revenues	$ -	$ 145,999	$ 42,062	$ 10,118	$ -	$ (10,383)	$ 187,796
Cost of revenues	-	(116,819)	(34,588)	(6,487)	-	6,697	(151,197)
Gross profit	-	29,180	7,474	3,631	-	(3,686)	36,599
Selling, general and administrative	-	(14,807)	(6,253)	(2,987)	(1,137)	2,993	(22,191)
Amortization of intangible assets	-	(1,426)	(318)	-	(5)	-	(1,749)
Depreciation	-	(2,288)	(783)	(137)	(3)	138	(3,073)
Income from equity investment	-	-	-	-	-	542	542
Interest expense	-	(2,537)	(182)	(178)	(3,601)	5	(6,493)
Transaction costs	-	-	-	-	(6,351)	-	(6,351)
Income (loss) before income taxes	$ -	$ 8,122	$ (62)	$ 329	$ (11,097)	$ (8)	$ (2,716)
Income tax recovery - current	-	57	-	-	-	8	65
Income tax recovery (expense) - deferred	-	157	(670)	(21)	1,527	-	993
Net income (loss)	$ -	$ 8,336	$ (732)	$ 308	$ (9,570)	$ -	$ (1,658)
Add back:							
Interest expense	-	2,537	182	178	3,601	(5)	6,493
Amortization	-	1,426	318	-	5	-	1,749
Depreciation	-	2,288	783	137	3	(138)	3,073
Income tax expense - current	-	(57)	-	-	-	(8)	(65)
Income tax (recovery) expense - deferred	-	(157)	670	21	(1,527)	-	(993)
EBITDA	$ -	$ 14,373	$ 1,221	$ 644	$ (7,488)	$ (151)	$ 8,599
Total assets as at: December 31, 2014	11,164	257,879	80,998	25,973	28,049	(12,331)	391,732
Total liabilities as at: December 31, 2014	9,324	109,766	64,886	24,959	135,297	(12,331)	331,901

(In thousands of Canadian dollars)

Nine months ended September 30, 2014	Marketing	Industrial Services		Other	Corporate	Eliminations	Total
		ClearStream	Quantum Murray				
Revenues	$ -	$ 418,371	$ 98,873	$ 33,203	$ -	$ (34,487)	$ 515,960
Cost of revenues	-	(332,284)	(77,115)	(21,554)	-	22,570	(408,383)
Gross profit	-	86,087	21,758	11,649	-	(11,917)	107,577
Selling, general and administrative	-	(43,860)	(18,030)	(8,870)	(3,091)	8,892	(64,959)
Amortization of intangible assets	-	(4,263)	(929)	-	(16)	-	(5,208)
Depreciation	-	(6,689)	(2,328)	(375)	128	376	(8,888)
Income from equity investment	-	-	-	-	-	2,599	2,599
Interest expense	-	(7,572)	(391)	(534)	(12,855)	16	(21,336)
Transaction costs	-	-	-	-	(9,057)	-	(9,057)
Income (loss) before income taxes	$ -	$ 23,703	$ 80	$ 1,870	$ (24,891)	$ (34)	$ 728
Income tax recovery - current	-	29	-	-	-	34	63
Income tax recovery (expense) - deferred	-	199	746	(29)	2,447	-	3,363
Net income (loss)	$ -	$ 23,931	$ 826	$ 1,841	$ (22,444)	$ -	$ 4,154
Add back:							
Interest expense	-	7,572	391	534	12,855	(16)	21,336
Amortization	-	4,263	929	-	16	-	5,208
Depreciation	-	6,689	2,328	375	(128)	(376)	8,888
Income tax expense - current	-	(29)	-	-	-	(34)	(63)
Income tax expense (recovery) - deferred	-	(199)	(746)	29	(2,447)	-	(3,363)
EBITDA	$ -	$ 42,227	$ 3,728	$ 2,779	$ (12,148)	$ (426)	$ 36,160
Total assets as at: December 31, 2014	11,164	257,879	80,998	25,973	28,049	(12,331)	391,732
Total liabilities as at: December 31, 2014	9,324	109,766	64,886	24,959	135,297	(12,331)	331,901

12. Comparative figures

As a result of discontinued operations, the comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation in the September 30, 2015 interim consolidated financial statements. The comparative consolidated income statement categorizes the revenues and expenses of the business classified as a discontinued operation and held for sale at December 31, 2014 and disposed during the three and nine months ended September 30, 2015.