TUCKAMORE CAPITAL MANAGEMENT INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTER ENDED MARCH 31, 2016

DEAR SHAREHOLDERS

The first quarter of 2016 saw the completion of Tuckamore's refinancing efforts which began over a year ago. The refinancing strategy was two-fold: sell off non-core assets to reduce debt, and establish a long term financial platform to support the future growth of ClearStream.

During the first quarter we have completed the sale of our interests in Gusgo, Titan and Quantum Murray, paying down debt by $15.0 million with the initial receipt of proceeds. Subsequent receipts, some tied to future performance, could add a further $8.2 million. The result of these sales is that Tuckamore is fully focused on its one investment, ClearStream. The sales of Titan and Quantum Murray closed at the same time as the refinancing. The refinancing had three components. The maturing senior debentures were replaced with $176 million of Senior Secured Debentures, due in 2026 and at an interest rate of 8%. Also, there was further liquidity added through the issuance of $35 million of Secured Debentures, convertible into common shares at a strike price of 35 cents, due in 2026 and at an interest rate of 10%. The proceeds of the Secured Debentures issue and the asset sales were sufficient to repay in full the outstanding senior credit facility. At the same time, to provide working capital funding for the ClearStream business, ClearStream has entered into a credit agreement with a banking syndicate led by the Bank of Montreal. The senior asset backed facility, of up to $60 million, subject to borrowing base tests, was not drawn on at quarter end. As part of management's strategic reorganization of the business, Tuckamore's head office functions will be transitioned to ClearStream during 2016. The transition of Tuckamore's head office function is expected to yield annualized cost savings of approximately $3.0 million.

In our operations, challenging conditions negatively impacted the financial results of ClearStream during the first quarter of 2016. Depressed oil and gas prices led to lower pricing and demand for ClearStream's services as most of ClearStream customers operate in the oil and gas sector. ClearStream's revenue was negatively impacted by reduced maintenance spending, deferral of maintenance projects and turnarounds, and cancellation of major infrastructure projects. Pricing for ClearStream's services also declined during the first quarter of 2016 on both a year-over-year and sequential basis, which negatively impacted gross profit margins. In response to the decreases in demand and pricing, ClearStream has continued to reduce costs and right-size the business during the first quarter of 2016. Reductions in employee headcount, employee compensation, and closure or consolidation of operating locations were some of the key cost cutting measures implemented during the quarter.

Despite the difficult operating environment, ClearStream was able to maintain market share by remaining cost competitive and focusing on safety and service quality. The maintenance driven services platform offered by ClearStream remained resilient and helped the Company earn positive first quarter operating cash flow during an extremely difficult operating environment.

Despite continuing lower oil prices, we remain optimistic about our investment in ClearStream. ClearStream's operations and maintenance focussed platform provides some resiliency to an oil sector downtown. Currently ClearStream is experiencing customer maintenance delays and deferrals, which is consistent across the industry. This will change in time as maintenance programs are an integral and necessary part of safety and performance in the oil sector.

The scale of the destruction caused by the forest wildfires that have engulfed Fort McMurray and surrounding areas has shocked all of Canada. We are fortunate that all of our employees in the area are safe, although some have lost their homes and we are being supportive of those in need. In order to assist the residents of Fort McMurray, some of our major clients have announced reductions in production volumes until the workforce situation stabilizes. Our thoughts are with the people and businesses of Fort McMurray.

The Annual General Meeting is scheduled for June 17, 2016 at which time the name of the company will be changed to ClearStream Energy Services Inc.

Thank you for your continued support.

Dean T. MacDonald

Executive Chairman

Management's Discussion and Analysis

May 10, 2016

The following is management's discussion and analysis ("MD&A") of the consolidated interim results of operations, balance sheets and cash flows of Tuckamore Capital Management Inc. ("Tuckamore" or the "Company") for the three months ended March 31, 2016 and 2015. This MD&A should be read in conjunction with Tuckamore's audited consolidated financial statements for the years ended December 31, 2015 and 2014.

All amounts in this MD&A are in Canadian dollars and expressed in thousands of dollars unless otherwise noted. The accompanying audited annual consolidated financial statements of Tuckamore have been prepared by and are the responsibility of management. The contents of this MD&A have been approved by the Board of Directors of Tuckamore on the recommendation of its Audit Committee. This MD&A is dated May 10, 2016 and is current to that date unless otherwise indicated.

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

This MD&A makes reference to certain measures that are not defined in IFRS and contains forward-looking information. These measures do not have any standard meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. See "Non-Standard Measures" on page 4.

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

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Forward-looking information

This MD&A contains certain forward-looking information. Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results and may include statements or information regarding the future plans or prospects of Tuckamore or the Operating Partnerships and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of Tuckamore and the Operating Partnerships. Without limitation, information regarding the future operating results and economic performance of Tuckamore and the Operating Partnerships constitute forward-looking information. Such forward-looking information reflects management's current beliefs and is based on information currently available to management of Tuckamore and the Operating Partnerships. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information including risks related to investments, conditions of capital markets, economic conditions, commodity prices, 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 2016 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 IFRS. Tuckamore's method of calculating Non-GAAP measures may differ from the methods used by other issuers. Therefore, Tuckamore's Non-GAAP measures, as presented may not be comparable to similar measures presented by other issuers.

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

Adjusted EBITDA refers to EBITDA excluding the interest, taxes, depreciation and amortization of long-term investments, write-down of goodwill, operating loss from long-term investments in assets held for sale and gain from disposal of assets held for sale. 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. Tuckamore has provided a reconciliation of income (loss) from continuing operations to Adjusted EBITDA in its MD&A.

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

REPORTABLE SEGMENTS

Tuckamore owns 100% of ClearStream. A majority of Tuckamore's operations, assets and employees are located in Canada. Tuckamore utilizes EBITDA and Adjusted EBITDA as a performance measure for its segment results. During the quarter ended March 31, 2016, Tuckamore completed the sale of its interest in Gusgo, as well as substantially all of the net assets of Quantum Murray and Titan. As at March 31, 2016, Tuckamore's only remaining investment was its interest in ClearStream. Given the significant change in organizational structure, the Company considered and concluded that there was a change in its reportable segments. The reportable segments discussed below, represent the reportable segments that the chief operating decision makers consider when reviewing the performance of ClearStream and deciding where to allocate resources.

Segment	Business Description
Maintenance and construction services	Operational and maintenance services and construction services to both the conventional oil and gas industry and the oilsands.
Fabrication, wear technology and transportation services.	Custom fabrication services supporting pipeline and infrastructure projects, patented wear overlay technology services specializing in overlay pipe spools, pipe bends and plate, and transportation and pipe logistics services to the drilling sector.
Corporate	ClearStream and Tuckamore head office management, administrative, legal and interest expense costs.

FIRST QUARTER 2016 PERFORMANCE

SUMMARY RESULTS ($000S)

	Three months ended March 31, 2016	2015 Restated[1]
Revenues	$ 68,640	$ 91,969
Cost of revenues - direct	(56,477)	(71,932)
Cost of revenues - indirect	(6,847)	(8,304)
Gross profit	5,316	11,733
Selling, general and administrative expenses	(4,897)	(5,570)
Amortization expense	(901)	(1,410)
Depreciation expense	(1,548)	(1,990)
Income from long-term investments	(235)	63
Interest expense	(6,241)	(6,098)
Write-down of goodwill	(8,700)	-
Gain from disposal of assets held for sale	1,114	-
Income tax recovery - deferred	-	1,546
Net loss	$ (16,092)	$ (1,726)
Add:		
Amortization	901	1,410
Depreciation	1,548	1,990
Interest expense	6,241	6,098
Income tax recovery - deferred	-	(1,546)
EBITDA	$ (7,402)	$ 6,226
Write-down of goodwill	8,700	-
Gain from disposal of assets held for sale	(1,114)	-
Operating loss from long-term investments in assets held for sale	235	-
Interest, taxes, depreciation and amortization of long-term investments	72	85
Adjusted EBITDA	$ 491	$ 6,311

Selected Balance Sheet Accounts	As at March 31, 2015	As at December 31, 2015
Total assets	$ 159,103	$ 253,579
Senior credit facility	-	58,482
Senior secured debentures	171,407	174,311
Convertible secured debentures	24,024	-
Shareholders' deficit	(78,601)	(65,056)

[1] Adjusted for discontinued operations and reclassification of certain selling, general and administrative expenses of ClearStream to cost of revenues.

FIRST QUARTER 2016 RESULTS

Revenues for the three months ended March 31, 2016 were $68,640 compared to $91,969 in 2015 a decrease of 25.4%. ClearStream experienced lower business volumes at most of its divisions.

Gross profit for the three months ended March 31, 2016 was $5,316 compared to $11,733 in 2015. Gross margins were 7.7% compared to 12.8% for the same period in 2015. Margins at ClearStream in 2016 were well below those in 2015, largely due to reduced pricing and decreased business volumes as a result of the impact of reduced oil prices on ClearStream's business.

Corporate costs for the three months ended March 31, 2016 were $4,284 compared to $4,831 in 2015. The decrease reflects decreased headcount and lower general, legal and professional costs.

Tuckamore's continuing operations are now reported in its three operating segments: Maintenance and Construction services, Fabrication, Wear Technology and Transportation services, and Corporate. For the three months ended March 31, 2016, these three operating segments produced $491 of Adjusted EBITDA compared to $6,311 a year ago. Refer to the chart on the following page for Adjusted EBITDA by operating segment.

Non-cash items that impacted the results included depreciation and amortization. Depreciation and amortization was $2,449 for the three months ended March 31, 2016 compared to $3,400 for 2015.

For the three months ended March 31, 2016, interest costs, excluding accretion expense, were $4,324 compared with $4,262 for the same period in 2015. Non-cash accretion expense was $1,917 compared to $1,836 during the same period in 2015. Accretion expense relates to the secured debentures, which were recorded net of transaction costs, and accrete up to their face value using the effective interest method over the term of the debentures. The 8.00 % secured debentures matured on March 23, 2016.

During the three months ended March 31, 2016, the consolidated operating segments had capital expenditures and capital lease payments of $1,783 compared to $2,021 in 2015.

The net loss from continuing operations was $16,092 for the three months ended March 31, 2016, compared to net loss from continuing operations of $1,726 in 2015.

Adjusted EBITDA $000s	**Q1 2016**	**Q1 2015**	**2016 vs. 2015**
ClearStream Industrial Services			
Maintenance and Construction	2,641	5,687	(3,046)
Wear, Fabrication & Transportation	2,134	5,455	(3,321)
Adjusted EBITDA from portfolio operations	$ 4,775	$ 11,142	$ (6,367)
Corporate	(4,284)	(4,831)	547
Adjusted EBITDA from operations	$ 491	$ 6,311	$ (5,820)

[1]Adjusted for discontinued operations

SEGMENT OPERATING RESULTS

Maintenance and Construction Services

	Three months ended March 31, 2016	2015
Revenues	$ 55,063	$ 70,113
Cost of revenues - direct	(47,886)	(58,585)
Cost of revenues - indirect	(4,100)	(5,337)
Gross profit	3,077	6,191
Selling, general and administrative expenses	(436)	(504)
Amortization expense	(46)	(46)
Depreciation expense	(727)	(994)
Interest expense	(94)	(154)
Income tax expense - current	(14)	(26)
Income (loss) for the period	$ 1,760	$ 4,467
Add:		
Amortization	46	46
Depreciation	727	994
Interest expense	94	154
Income tax expense - current	14	26
EBITDA	$ 2,641	$ 5,687

(I) Revenues

Revenues for the Maintenance and Construction Services segment were $55,063 for the three months ended March 31, 2016 compared to $70,113 in the prior year quarter, which reflects a decreased of 21.5% The decline was due to lower demand and pricing for all regions and services within the segment. Most of ClearStream's maintenance and construction customers operate in the oil and gas sector, which has been negatively impacted by low oil and gas prices. Further, an unforeseen disruption at a major client facility early in the current quarter negatively impacted gross profit by approximately 10%.

(II) Gross Profit

Gross profit was $3,077 for the three months ended March 31, 2016 compared with $6,191 for the same period in the prior year. Gross profit margin for the period was 5.6% compared to 8.8% a year ago. Gross profit margins decreased as lower pricing and lower operating leverage on indirect fixed cost were partially offset by indirect costs cutting initiatives.

(IV) Seasonality

The Maintenance and Construction services segment's revenues and profits are impacted by seasonality and weather conditions. For example, 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 the Maintenance and Construction services segment's business.

Fabrication, Wear Technology and Transportation Services

	Three months ended March 31,			
		2016		2015
Revenues	$	14,670	$	23,211
Cost of revenues - direct		(9,601)		(14,786)
Cost of revenues - indirect		(2,745)		(2,713)
Gross profit		2,324		5,712
Selling, general and administrative expenses		(190)		(257)
Amortization expense		(82)		(87)
Depreciation expense		(709)		(811)
Interest expense		(109)		(117)
Income (loss) for the period	$	1,234	$	4,440
Add:				
Amortization		82		87
Depreciation		709		811
Interest expense		109		117
EBITDA	$	2,134	$	5,455

(I) Revenues

Revenues for the Fabrication, Wear Technology and Transportation segment were $14,670 for the three months ended March 31, 2016 compared to $23,211 in the prior year quarter, which reflects a decrease of 36.8%.

Fabrication revenue decreased by 23% compared to the first quarter of 2015. Fabrication demand is largely based on pipeline and infrastructure project activity. Low commodity prices have led to limited new project growth over the past several months, which led to a decline in Fabrication revenue during the first quarter of 2016. Pricing has also declined for the Fabrication division, which also contributed to the decline in first quarter revenue.

Wear Technology revenue decreased by 36% during the first quarter of 2016 compared to the first quarter of 2015. Demand for ClearStream's Wear Technology services is driven largely by pipeline maintenance requirements for customers operating in the Alberta oilsands. Typically, demand for Wear Technology is resilient in a low commodity price environment as the maintenance requirements are driven by oilsands production rather than new projects. However, some clients have deferred maintenance requirements during the first quarter of 2016 in an effort to lower costs, which led to a significant decline in revenue for Wear Technology services. Pricing has also declined for the Wear Technology services, which also contributed to the decline in first quarter revenue. The services provided by this division are an integral part of the maintenance programs of oilsands producers, therefore, the Company expects demand for this service to increase in the future.

The services provided by the transportation division are largely related to the transportation of drilling and completions material and equipment. As a result of weak drilling and completion activity, revenue for this segment decreased by 63% compared to the first quarter of 2015.

(II) Gross Profit

Gross profit was $2,324 for the three months ended March 31, 2016 compared with $5,712 during the same period of the prior year. Gross profit margin for the period was 15.8% compared to 24.6% a year ago. Gross profit margins for the segment decreased due to decreased operational leverage on fixed indirect costs combined with lower pricing. These factors were partially offset by cost control efforts that were realized during the first quarter. Significant cost cutting measures were implemented throughout 2015 and during the first quarter of 2016; however, these measures have lagged the decrease in revenue and as a result, gross profit margins decreased significantly on a year-over-year basis.

(III) Seasonality

The Fabrication, Wear Technology and Transportation services segment's revenues and profits are impacted by seasonality and weather conditions. For example, 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 the Fabrication, Wear Technology and Transportation services segment's business.

Corporate

Tuckamore's head office functions will be transitioned to ClearStream's offices during 2016.The tables below reflect the combined costs of ClearStream's corporate function and Tuckamore's Toronto office.

	Three months ended March 31,			
		2016		2015
Selling, general administrative expenses	$	(4,284)		(4,831)
Amortization expense		(772)		(1,277)
Depreciation expense		(145)		(158)
Income from equity investments		(291)		-
Interest expense		(6,038)		(5,826)
Write-down of goodwill		(8,700)		-
Gain from assets held for sale		1,114		-
Income tax recovery - deferred		-		1,546
Loss for the period	$	(19,116)	$	(10,546)
Add:				
Amortization expense		772		1,277
Depreciation expense		145		158
Interest expense		6,038		5,826
Income tax expense - current		-		-
Income tax recovery - deferred		-		(1,546)
EBITDA	$	(12,161)	$	(4,831)
Write-down of goodwill		8,700		-
Gain from assets held for sale		(1,114)		-
Operating loss from long-term investments in assets held for sale		291		
Adjusted EBITDA	$	(4,284)	$	(4,831)

(I) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $4,284 for the period ended March 31, 2016 compared to $4,831 for the same period in the prior year. The break-down of selling, general and administrative expenses is as follows:

	Three months ended March 31,			
		2016		2015
Salaries and benefits	$	3,009	$	3,100
Occupancy and office costs		771		882
Audit, accounting and tax		201		291
Other costs, net		303		558
General and administrative expenses	$	4,284	$	4,831

SG&A costs decreased by $547 for the three months ended March 31, 2016, in comparison to the same period in 2015. The decrease in corporate selling, general and administrative expenses is primarily related to lower general legal and professional costs. In addition to this, 2015 salaries reflect a one-time positive adjustment. Absent this positive adjustment, the decrease in salaries and benefits from March 31, 2015 to March 31, 2016 would have been greater. Additional cost reductions are expected for the balance of 2016. Reduced facility costs and discretionary spending are also expected to result in lower SG&A costs.

(II) INTEREST EXPENSE

Total interest expense was $6,038 for the period ended March 31, 2016 compared to $5,826 for the same period in the prior year. For the period ended March 31, 2016, interest costs, excluding accretion expense, were $4,121 compared with $3,990 for the same period in 2015. Non-cash accretion expense was $1,917 for the period ended March 31, 2016 compared to $1,836 for the same period in 2015. Accretion expense relates to the secured debentures, which were recorded at their fair values, and accrete up to their face value using the effective interest method over the term of the Debentures. The 8.00% secured debentures were repaid in March 2016.

The decrease in interest expense reflects interest savings due to lower senior indebtedness balances, largely from pay downs of the revolving facility with cash on hand, and through assets sales throughout 2015. At the corporate division, interest expense is net of interest income received from the other business segments.

(III) WRITE-DOWN OF GOODWILL

The most significant change in assumptions from the goodwill testing performed for the year-ended December 31, 2015 and the quarter ended March 31, 2016 was a decrease to the Projected EBITDA and Capital Expenditure figures to adjust for the increased impact of the decline in oil prices on ClearStream's business. More specifically, customers have increased their deferral of capital spend and further delayed non-critical maintenance. The decrease in Projected EBITDA and Capital Expenditures resulted in a further $8,700 impairment of goodwill at ClearStream. After this impairment, there remains $22,288 in goodwill at ClearStream. For a more detailed explanation of the write-down of goodwill, please refer to the notes to the consolidated interim financial statements of the Company for the three months ended March 31, 2016.

All impairment losses are non-cash in nature and do not affect the Company's liquidity, cash flows from operating activities, or debt covenants and do not have an impact on the future operations of the Company.

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On March 23, 2016, Tuckamore sold a majority of the net assets of Quantum Murray LP and Titan Supply LP for cash proceeds of $4,000 and assumption of debt of approximately $3,000, with an additional $4,800 which was received in April 2016. In addition to these amounts, an earn-out of $6,200 will be paid if certain pre-determined cash flow targets are achieved in future years. The present value of this earn-out, which is approximately $4,240, is recorded in Other assets on the balance sheet as at March 31, 2016. The sale of Titan's assets resulted in an accounting gain of approximately $574, recorded in gain from assets held for sale. The sale of Quantum Murray's assets resulted in an accounting loss of approximately $3,076, recorded in income/loss from discontinued operations.

On March 7, 2016, Tuckamore sold its 80% interest in Gusgo as well as certain other related subsidiaries for cash proceeds of $4,000, with an additional $2,000 to be received in the second quarter of 2016. In addition to these amounts, an earn-out of $2,000 will be paid if certain contracts are renewed in future years. The present value of this earn-out, which is approximately $1,340, is recorded in Other assets on the balance sheet as at March 31, 2016. The sale of Gusgo resulted in an accounting gain of approximately $540, recorded in gain from assets held for sale.

For the quarter ended March 31, 2016, Tuckamore reassessed its organizational structure and determined that previous operating segments were no longer relevant, since the only remaining asset was the Company's interest in ClearStream. Any assets held for sale in continuing operations for the first quarter of 2016 and for the comparative period have been recorded in the Corporate segment in the Segmented Information note in the interim consolidated financial statements for the three month period ended March 31, 2016.

The following table shows the revenue and net income (loss) from discontinued operations (Industrial Services – Quantum Murray, Marketing – Gemma and IC Group) for the quarter ended March 31, 2016 and March 31, 2015:

	Industrial Services		Marketing		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Revenue	29,179	39,667	-	3,430	29,179	43,097
Expenses	(30,700)	(43,821)	-	(3,913)	(30,700)	(47,734)
Loss before taxes	(1,521)	(4,154)	-	(483)	(1,521)	(4,637)
Remeasurement of impairment loss previously recognized on the remeasurement of the Waste business net assets to FVLCS	-	2,645	-	-	-	2,645
Loss on sale of discontinued operations	(3,204)	(373)	-	-	(3,204)	(373)
Loss from equity investments	-	-	-	(325)	-	(325)
Net loss from discontinued operations	$ (4,725)	$ (1,882)	$ -	$ (808)	$ (4,725)	$ (2,690)
Net loss per share - basic	$ (0.04)	$ (0.02)	$ -	$ (0.01)	$ (0.04)	$ (0.02)
Net loss per share - diluted	$ (0.04)	$ (0.02)	$ -	$ (0.01)	$ (0.04)	$ (0.02)

The major classes of assets and liabilities of Quantum Murray, classified as discontinued operations, for the year ended December 31, 2015 are as follows:

For the period ending,	December 31, 2015
Assets	
Accounts receivable	34,448
Inventory	13,777
Prepaids & Other Assets	2,302
Long-term investments	3,783
	54,310
Liabilities	
Accounts payable & accrued liabilities	32,119
Deferred Revenue	4,645
Capital lease obligation	2,872
Other liabilities	3,001
	42,637
Net assets directly associated with the disposal group	11,673

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

For the period ending,	March 31, 2016	March 31, 2015
Operating	(237)	1,221
Investing	-	(304)
Net cash (outflow) / inflow	(237)	917

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The following table summarizes the major consolidated cash flow components:

Three months ended March 31		2015		2014
Cash provided by operating activities	$	8,123	$	10,454
Cash provided by (used in) investing activities		7,745		(526)
Cash used in financing activities		(31,550)		(1,461)
Consolidated cash	$	8,727	$	31,048

In March 2016, ClearStream entered an agreement for an ABL facility with a banking syndicate led by the Bank of Montreal. The purpose of the facility is to provide working capital funding for ClearStream. The amounts that can be drawn on this facility, to a maximum of $60 million, are based on eligible accounts receivable balances. The Company is required to satisfy a fixed charge covenant ratio.

The Company’s financial forecast for the balance of this year indicates that there may be periods in which its fixed charge ratio covenant in the ABL Facility is not met. The Company is carefully monitoring its results, and has some options to mitigate the risk of a covenant breach including asset sales and further reductions to operating and capital expenditures. The Company believes it has a good relationship with its lenders and that, in the event that it concluded that the financial covenant would not be met, it could seek and receive amendment to its covenants.

While it cannot be guaranteed that such amendment will be required or requested, similarly there can be no guarantee that such amendment would be received from the Company's lenders or that the conditions of such an amendment could be fulfilled by the Company. In the event that an amendment was not received, the cross-default provisions in the senior secured debenture and convertible secured debenture would be triggered, requiring payment on demand. The possibility that a financial covenant may not be met results in a material uncertainty that may cast doubt on the Company's ability to continue as a going concern.

The Company is required to make permanent debt repayments of its senior secured debentures utilizing 75% of its excess cash flow from operations.

CASH PROVIDED BY OPERATING ACTIVITIES

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

Three months ended March 31		2015		2014
Cash used in operations	$	(8,585)	$	(13,666)
Changes in non-cash working capital				
Accounts receivable		14,691		31,670
Inventories		(10)		445
Prepaids and other current assets		(1,413)		(333)
Accounts payable, accrued liabilities, income tax payable and deferred revenue		3,677		(8,883)
Increase in cash due to changes in non-cash working capital		16,945		22,899
Cash and distributions (used in) provided by discontinued operations		(237)		1,221
Cash provided by operating activities	$	8,123	$	10,454

CASH USED IN INVESTING ACTIVITIES

Cash provide by investing activities totaled $7,745 compared to $526 of cash used in investing activities during the same period of the prior year. See table below for further details.

Three months ended March 31		2015		2014
Purchase of property, plant and equipment, net of disposals		(493)		(560)
Proceeds on disposition of business		8,000		-
Net proceeds on disposal of properly, plant & equipment		263		338
Purchase of software		(25)		-
Increase (decrease) in cash provided by (used in) operating activities		7,745		(222)
Cash used in discontinued operations		-		(304)
Cash used in investing activities	$	7,745	$	(526)

CASH USED IN FINANCING ACTIVITIES

Cash used in financing activities was $31,550 for the period ended March 31, 2016, compared to $1,461 for the same period in the prior year.

Three months ended March 31		2015		2014
Decrease in cash held in trust	$	3,400	$	-
Proceeds from the issuance of the senior secured debentures		176,228		-
Proceeds from the issuance of the convertible secured debentures		35,000		-
Repayment of senior credit facility		(58,735)		-
Repayment of the 8.00% secured debentures		(176,228)		-
Refinancing fees (ABL Facility, senior and convertible secured debentures)		(9,925)		-
Repayment of capital lease obligations		(1,290)		(1,461)
Cash used in financing activities	$	(31,550)	$	(1,461)

FINANCING

SENIOR CREDIT FACILITY

Senior Credit Agreement

On March 9, 2012 Tuckamore completed an assignment to Bank of Montreal ("BMO") of its then existing senior secured credit agreement (as assigned, the "Senior Credit Agreement"). The Senior Credit Agreement had an interest rate, which ranged from prime plus 1.5% to prime plus 1.75%, and contained customary covenants which included financial covenants in respect of Tuckamore's interest coverage ratio, priority senior debt ratio and minimum EBITDA amount. At January 1, 2015 there was $67,669 outstanding on the facility which had been amended to mature at December 31, 2015.

During the second quarter of 2015, Tuckamore repaid a total of $4,184 of indebtedness under the Senior Credit Agreement. This was comprised of a payment on May 22, 2015 of $2,184 on account of 75% of the excess cash flow from the first quarter of 2015 as well as a second payment of $2,000 made on June 26, 2015, which was a voluntary repayment.

On June 26, 2015 Tuckamore reached an agreement with the lenders under the Senior Credit Agreement to amend certain financial covenants. The amended covenants included those relating to interest coverage ratio, priority senior debt ratio and the minimum EBITDA amount, and were in effect for all quarters, commencing with the quarter ended September 30, 2015 through to December 31, 2015. The total cost of the amendment was $148.

During the third quarter of 2015 Tuckamore repaid a total of $4,750 of indebtedness under the Senior Credit Agreement using aggregate net proceeds from the dispositions of IC Group and Gemma.

Advances outstanding under the Senior Credit Agreement as at December 31, 2015 totaled $58,735. At that time, the entire balance of the Senior Credit Agreement was a revolving facility and was fully drawn at December 31, 2015.

On March 7, 2016, Tuckamore repaid a total of $4,000 of indebtedness under the Senior Credit Agreement using the aggregate net proceeds received on the closing date for the sale of Gusgo. In addition to this, on March 16, 2016, Tuckamore made a voluntary permanent repayment on the Senior Credit Facility of $2,250.

On March 23, 2016, the Company completely and permanently repaid all indebtedness outstanding under the Senior Credit Agreement through a combination of proceeds from asset sales, proceeds from the issuance of convertible debentures and cash on hand.

ABL Facility

On March 23, 2016 ClearStream Energy Holdings LP entered into an ABL Facility agreement with Bank of Montreal. The ABL Facility is a revolving facility providing for maximum borrowings of up to $60,000 and carries a term of three years. An arrangement fee of $510 was paid in connection with entering into the ABL Facility. The amount available to be drawn under the ABL Facility will vary from time to time, based upon a borrowing base determined with reference to the accounts receivable and inventory levels of ClearStream. The obligations under the ABL Facility are secured by, among other things, a first ranking lien on all of the existing and after acquired accounts receivable and inventories of the borrower and the other guarantors, being the Company and certain of its direct and indirect subsidiaries. The ABL Facility contains and provides for certain covenants, such as the maintenance of fixed charge coverage ratios, financial reporting and events of default as are customary in transactions of this nature. The interest rate on the ABL Facility is prime plus 2.5%, increasing to prime plus 4% if the ABL Facility is more than 50% drawn. As at March 31, 2016, there were no amounts drawn on the ABL Facility. The Company incurred $1,396 in deferred financing fees associated with the ABL Facility. These costs are recorded in Other current assets on the balance sheet and will be amortized over the term of the facility.

SECURED DEBENTURES

8% Secured Debentures

The Company issued debentures designated as “8.00% Secured Debentures due 2016” (the “8.00% Secured Debentures”) in an aggregate principal amount of $176,228 pursuant to a secured trust indenture dated as of March 23, 2011 (as supplemented). The 8.00% Secured Debentures were listed on the Toronto Stock Exchange (“TSX”) on the date of closing of March 23, 2011.

The maturity date of the 8.00% Secured Debentures was March 23, 2016. Subsequent to the financial year ended December 31, 2015, the Company called for redemption on March 21, 2016 of all outstanding Senior Secured Debentures which were to be redeemed together with the completion of the refinancing transactions and asset sales on the same date, however the completion of these transactions and the repayment in full of all outstanding principal and accrued interest on the 8.00% Secured Debentures was completed on March 23, 2016.

The 8.00% Secured Debentures accrued interest at the rate of 8.0% per annum, payable semi-annually in arrears on June 30 and December 31 in each year. Under the terms of the 8.00% Secured Debentures, Tuckamore had the option to repurchase any or all of the 8.00% Secured Debentures outstanding at any time and also the right to redeem in cash any or all 8.00% Secured Debentures outstanding at any time, in its sole discretion, and without bonus or penalty, provided all accrued interest is paid at redemption, and subject to any restrictions in the Senior Credit Agreement. The terms of the 8.00% Secured Debentures also required Tuckamore to redeem a portion of the 8.00% Secured Debentures in certain circumstances prior to the maturity thereof using proceeds from specified dispositions, issuances of equity instruments or from excess operating cash flow, as defined. The Company’s obligations under the 8.00% Secured Debentures were secured with a security interest in substantially all of Tuckamore’s assets, which was subordinated to similar security interests granted in connection with the Company’s obligations under the Senior Credit Agreement or certain other debt incurred in the future by Tuckamore’s subsidiaries.

Senior Secured Debentures

On March 23, 2016 the Company issued an aggregate of $176,228 principal amount of Senior Secured Debentures to Canso on a private placement basis. The net proceeds of this issuance was used to completely repay the principal amount outstanding under the 8.00% Secured Debentures which were repaid together with accrued interest, on the same date.

The Senior Secured Debentures bear interest at an annual rate of 8.00% payable semi-annually in arrears on June 30 and December 31 in each year. The maturity date of the Senior Secured Debentures is March 23, 2026. The 8.00% Secured Debentures are redeemable at the option of the Company and, in certain circumstances, are mandatorily redeemable. The Senior Secured Debentures are secured by first-ranking liens over all of the property of the Company and its guarantor subsidiaries, other than certain limited classes of collateral over which the Company has granted a prior-ranking lien in favour of the ABL Agent which secure the Company’s obligations under the ABL Facility. The Senior Secured Debentures provide for certain events of default and covenants of the Company which are customary for transactions of this nature, including financial and reporting covenants and restrictive covenants limiting the ability of the Company and its subsidiaries to make certain distributions and dispositions, incur indebtedness, grant liens and limitations with respect to acquisitions, mergers, investments, non-arm's length transactions, reorganizations and hedging arrangements (subject to certain exceptions). The Company incurred $4,821 in deferred financing fees associated with the Senior Secured Debentures. These costs are recorded net of the principal balance of the Senior Secured Debenture and will be accreted over the term of Senior Secured Debentures.

Convertible Secured Debentures

Subsequent to the year ended December 31, 2015, on March 23, 2016 the Company issued an aggregate of $25,000 principal amount of Convertible Secured Debentures to Canso on a private placement basis and an additional $10,000 principal amount of Convertible Secured Debentures pursuant to the Rights Offering (described below). The net proceeds of this issuance, together with the proceeds of the Asset Sales, were used to completely repay the Company's indebtedness under the Senior Credit Agreement.

The Convertible Secured Debentures bear interest at an annual rate of 10.00% payable semi-annually in arrears on June 30 and December 31 in each year. The Company may elect to satisfy any interest payment obligation by issuing additional Convertible Secured Debentures which will be subject to the same terms and conditions as previously issued Convertible Secured Debentures. The maturity date of the Convertible Secured Debentures is March 23, 2026. The Company may redeem the Convertible Secured Debentures, in whole or in part from time to time, after March 23, 2021. The Convertible Secured Debentures are convertible into common shares of the Company at an initial conversion price of $0.35 per common share (subject to adjustment in certain circumstances). The Convertible Secured Debentures are secured by liens over all of the property of the Company and its guarantor subsidiaries, other than property over which security has been granted in favour of the ABL Agent in respect of the ABL Facility. The security granted in connection with the Convertible Secured Debentures is subordinate to the security granted in connection with the Senior Secured Debentures. The Convertible Secured Debentures provide for events of default and covenants of the Company which are customary for transactions of this nature substantially similar to the events of default and covenants provided in respect of the Senior Secured Debentures. The Company incurred $3,708 in deferred financing fees associated with the Convertible Secured Debentures. These costs are recorded net of the principal balance of the Convertible Secured Debentures and will be accreted over the term of Convertible Secured Debentures.

The Company uses the residual value method to allocate the principal amount of the convertible debentures between the liability and equity components. Under this method, the value of the equity component of $7,272 was determined by deducting the fair value of the liability component from the principal amount of the Convertible Secured Debentures. The fair value of the liability component of $24,024 was computed as the present value of future principal and interest payments discounted at a rate of 15% per annum. Debenture issue costs of $861 were allocated to the equity component.

Rights Offering

Pursuant to the Rights Offering, the Company offered to its shareholders of record as of February 18, 2016 transferable rights to purchase up to $10,000 aggregate principal amount of Convertible Secured Debentures for the same amount in gross proceeds. Each such shareholder was entitled to one right for each common share held. Every 1,099.41241 rights entitled an eligible rights holder to purchase $100 aggregate principal amount of Secured Convertible Debentures at a subscription price of $100. The rights expired on March 17, 2016 and the Rights Offering, which was over-subscribed, closed on March 23, 2016, resulting in the issuance of:

- $1,969,000 aggregate principal amount of Convertible Secured Debentures upon the exercise of the basic subscription privilege;and
- $8,030,400 aggregate principal amount of Convertible Secured Debentures issued to over-subscribing purchasers on a pro-rata basis, pursuant to the additional subscription privilege.

SOURCES OF FUNDING

Tuckamore will continue to look to reduce its debt leverage. The financing arrangements are designed to ensure that debt balances are reduced as quickly as possible. Consequently 75% of excess cash flow is required to retire the senior secured debentures.

ClearStream will utilize the Asset Backed Credit Facility to fund working capital requirements, primarily in the second and third quarters of each year. The services provided by ClearStream are labour intensive. Employees are remunerated every two weeks and clients typically pay invoices in 60 to 90 days. During peak business activity, for example the spring and fall shutdown maintenance programs at ClearStream, a higher number of employees are at customer sites, and this increases the need for working capital funding.

WORKING CAPITAL

	March 31, 2016	December 31, 2015
Current assets	$ 81,163	$ 110,463
Current liabilities	36,483	269,610
Working capital - continuing operations	44,680	(159,147)
Working capital - discontinued operations	-	11,673
Total w orking capital	$ 44,680	$ (147,474)

The significant increase in working capital from December 31, 2015 to March 31, 2016 is primarily related to the Company's successfully refinancing of its senior credit facility and 8.00% secured debentures which matured March 23, 2016.

CAPITAL EXPENDITURES

The following table shows capital expenditures and finance lease payments by segment for continuing operations.

Three months ended March 31, 2016	Maintenance and Construction	Fabrication, Wear & Transportation	Corporate	Eliminations	Total
Capital expenditures	$ 575	$ 397	$ (479)	$ -	$ 493
Finance lease repayments	1,288	473	(471)	-	$ 1,290
Total capital expenditures	$ 1,863	$ 870	$ (950)	$ -	$ 1,783

Three months ended March 31, 2015	Maintenance and Construction	Fabrication, Wear & Transportation	Corporate	Eliminations	Total
Capital expenditures	$ 465	$ 83	$ 12	$ -	$ 560
Finance lease repayments	998	415	48	-	$ 1,461
Total capital expenditures	$ 1,463	$ 498	$ 60	$ -	$ 2,021

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, 2015 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 $22,288 at March 31, 2016 (December 31, 2015 - $30,988).

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 $18,029 at March 31, 2016 (December 31, 2015- $18,904).

Long-term Investments

Investments in joint ventures and associates over which Tuckamore is able to exercise significant influence are accounted for using the equity method. Under the equity method, the original cost of the investment is adjusted for Tuckamore’s share of post-acquisition earnings or losses, less distributions in the case of investments in partnerships and dividends in the case of investments in companies. Investments are written down when there is evidence that a decline in value has occurred. Tuckamore reviews all of its investments for possible impairment on an annual basis, or more frequently if there is an event which in the view of management would trigger an earlier review. Prior to their dispositions, long term investments included Tuckamore’s investments in Titan, IC Group, Gusgo, and Rlogistics.

Deferred Taxes

Tuckamore has computed deferred income taxes based on temporary differences that are expected to reverse after March 31, 2016. In general, there are no material differences in the values for operating assets and liabilities such as accounts receivable, inventory and trade payables for the Operating Partnerships. There are, however, differences, for example between the carrying values of definite life intangibles (e.g. customer contracts) and indefinite life intangibles (e.g. brands) that arise as part of Tuckamore’s accounting for its investments. 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 an investment 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, 2016 Tuckamore has calculated deferred taxes using the applicable estimated tax rate of approximately 26.9%.

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

ADDITIONAL INFORMATION NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the Company's annual consolidated financial statements for the year ended December 31, 2015, except for the adoption of the new standards and interpretations effective as of January 1, 2015.

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

International Accounting Standards 1, Presentation of Financial Statements – IAS 1

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS requirements.

The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. The amendments require that subtotals be comprised only of amounts recognized and measured in accordance with IFRS, that they be presented and labelled clearly, be consistent between periods, and that they are not displayed with more prominence than the required subtotals and totals.

These amendments are intended to assist entities in applying judgement when meeting the presentation and disclosure requirements in IFRS, and do not affect recognition and measurement. The company has reviewed the amendments to IAS 1 and noted that the interim consolidated financial statements are consistent with the clarifications / amendments made to IAS 1.

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, 2016 and have not been applied in preparing the consolidated financial statements. Tuckamore's intention is to adopt the standards when they become effective.

The following is a brief summary of the new standards:

International Financial Reporting Standard 9, Financial Instruments – IFRS 9

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.

International Financial Reporting Standard 15, Revenue from Contracts with Customers – IFRS 15

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 audited consolidated financial statements.

International Financial Reporting Standard 16, Leases – IFRS 16

In January 2016, the IASB issued IFRS 16 - Leases, which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 - Leases.

The new standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted provided the new revenue standard, IFRS 15 - Revenue from Contracts with Customers, has been applied, or is applied at the same date. The Company is currently assessing the impact of adopting this interpretation on its consolidated financial statements.

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

	2016 Q1	2015 Q4 Restated[1]	2015 Q3 Restated[1]	2015 Q2 Restated[1]	2015 Q1 Restated[1]	2014 Q4 Restated[1]	2014 Q3 Restated[1]	2014 Q2 Restated[1]
Revenues	$ 68,640	$ 88,956	$ 116,662	$ 118,535	$ 91,969	$ 140,715	$ 145,741	$ 133,049
Gross Margin	5,316	8,108	17,920	14,084	11,733	17,073	17,148	18,309
Gross Margin %	7.7%	9.1%	15.4%	11.9%	12.8%	12.1%	11.8%	13.8%
Net (loss) income from continuing operations	(16,092)	(68,637)	4,227	1,700	(1,726)	2,505	(1,177)	2,496
Net (loss) income	(20,817)	(107,848)	(6,350)	(6,273)	(4,416)	(17,217)	(2,975)	655
Income (loss) per unit from continuing operations	(0.15)	(0.63)	0.04	0.02	(0.01)	0.02	(0.01)	0.03
Income (loss) per unit	(0.19)	(0.98)	(0.06)	(0.06)	(0.04)	(0.16)	(0.03)	0.01

[1]Please note that some of the figures above have been restated from those published in previous periods to categorize certain expenses previously classified as selling,general and administrative to cost of revenues. This change enhances the comparability of the Company's financial results with that of its competitors and more accurately reflects the function of the relevant expenses. Please refer to the consolidated interim financial statements for the three month periods ended March 31, 2016 and March 31, 2015 for more information.

Revenues at ClearStream are somewhat seasonal. Typically there are scheduled shutdown turnaround projects in the spring and fall which increases revenues over and above the standard maintenance and operational support services.

Gross margin percentage fluctuations by quarter are usually a function of revenue mix. Notwithstanding this, the first quarter of each year will usually show lower gross margin percentages as the employer portion of payroll benefit costs will not be maximized until later in the year. The margin reductions experienced in Q4 2015 and Q1 2016 are reflective of a decrease in business volumes and price reductions granted to customers as a result of the impact of decreased oil prices on ClearStream's business.

CONTINGENCIES

Tuckamore is 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 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 $4,099 (which includes interest) and costs 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. Brompton has brought a motion for summary judgment, which it is seeking to have heard in the summer of 2016. The Company has not provided for any amount with respect to this matter in its consolidated interim financial statements for the period ended March 31, 2016.

TRANSACTIONS WITH RELATED PARTIES

OWNERSHIP

As of March 31, 2016, directors, officers and employees beneficially hold an aggregate of 15,371,459 common shares or 14.0% 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.

Loss from discontinued operations include $191 of rent expense paid to related parties of Gusgo for the period ended March 31, 2016 (2015-$209).

Two operating leases for property, with quarterly rents of $78 and $75 (2015- $78 and $75) are with landlords in which certain executives of Tuckamore hold an indirect minority interest.

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.

SHARE CAPITAL

The authorized share capital of the Company consists of: (i) an unlimited number of common shares, and (ii) preferred shares issuable in series to be limited in number to an amount equal to not more than one half of the issued and outstanding common shares at the time of issuance of such preferred shares. As of the date hereof, there were 109,941,241 common shares issued and outstanding and nil preferred shares issued and outstanding.

SECOND QUARTER 2016 OUTLOOK

ClearStream typically sees an increase in maintenance and turnaround activity during the second quarter and this is expected to hold true in 2016. Revenue and gross profit are therefore expected to increase in the second quarter compared to the first quarter of 2016 for both the Maintenance and Construction and Fabrication and Wear Technology segments. However, we expect financial results to be lower on a year-over-year basis for both segments. Low oil and gas prices are expected to continue to impact demand as our customers manage cash flow by deferring maintenance spending and major project and construction activity throughout 2016. Demand for the Transportation segment is expected to remain weak as low oil and gas prices are expected to keep drilling and completions activity at historically low levels.

Given the challenging operating environment, ClearStream will continue to focus on reducing the cost of doing business. Further cost cutting initiatives will be implemented resulting in declines in direct and indirect operating costs across all services and a decrease in corporate SG&A expenses.

In addition to optimizing its cost structure, ClearStream will continue to focus on maintaining existing contracts by providing safe and cost competitive services to existing customers. We believe there is an opportunity to increase market share as larger diversified competitors look at exiting the oil and gas sector, and smaller competitors struggle with the severity and length of the current downturn.

The forest wildfires in Fort McMurray area have impacted the entire Western Canadian oil and gas industry, including ClearStream. We are fortunate that all of our employees in the area are safe. In order to assist the residents of Fort McMurray, some of our major clients have announced reductions in production volumes until the workforce situation stabilizes. It is expected that these lower production volumes may result in reduced demand for oil and gas services which may impact results in the second quarter, and perhaps beyond.

RISK FACTORS

There are no updates to Tuckamore's risk factors. For further discussion, refer to Tuckamore's MD&A or AIF dated March 28, 2016 for the year ended December 31, 2015.

DISCLOSURE CONTROLS & PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

DISCLOSURE CONTROLS AND PROCEDURES

National Instrument 51-109, "Certification of Disclosure in Issuers' Annual and Interim Filings" ("NI 51-109"), 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, 2015 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, 2016 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

NI 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, 2016 that have materially affected or are reasonably likely to materially affect internal controls over financial reporting.

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

ADDITIONAL INFORMATION

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

DEFINITIONS

"AIF" – means Annual Information Form;

"BMO" – means Bank of Montreal;

"CEO" – means Chief Executive Officer of Tuckamore;

"CFO" – means Chief Financial Officer of Tuckamore;

"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;

"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;

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

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

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

"Secured Debentures" – means the Secured Debentures of Tuckamore, due March 23, 2016.

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

"TH"- means Tuckamore Holdings LP;

"TSX" – means Toronto Stock Exchange; and

"Tuckamore" – means Tuckamore Capital Management Inc.