

FORM 7
SEPTEMBER 2014 PROGRESS REPORT

Name of CNSX Issuer: Arctic Glacier Income Fund (the "Issuer").

Trading Symbol: AG.UN

Number of Outstanding Listed Securities: 350,317,221 Units

Date: Oct. 7, 2014

REPORT ON BUSINESS

- 1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.**

The Issuer sold substantially all of its business and assets to an affiliate of H.I.G. Capital ("H.I.G.") a prominent private equity investment fund headquartered in Miami, Florida, on July 27, 2012 (the "Transaction"). The Transaction was effected and court ("Court") approved pursuant to the Companies' Creditors Arrangement Act (Canada) ("CCAA") and the U.S. Bankruptcy Code.

A portion of the cash proceeds received by the Issuer on closing of the Transaction was used to satisfy all amounts owing to the Issuer's existing secured lenders. The remainder of those proceeds is being held by Alvarez & Marsal Canada Inc., the CCAA Court-appointed monitor (the "Monitor"). The Monitor was engaged by the Issuer and appointed by the Court to oversee activities of the Issuer and to report and make recommendations to the Court in that regard. The Issuer expects that the remaining proceeds of sale will be sufficient to pay all of its known unsecured creditors and may be sufficient to permit a distribution to its unitholders after all unsecured creditor claims have been proven and satisfied. Prior to any distribution of the balance of funds held by the Monitor to the unsecured creditors of the Issuer and its subsidiaries, a Court-approved claims process was undertaken to identify unsecured creditor claims against the Issuer and its subsidiaries and adjudicate or resolve any claims filed. The deadline for filing Proofs of Claim was October 31, 2012. Following the completion of the claims process, including adjudication of the Proofs of Claim as filed, the trustees of the Issuer expect to determine whether sufficient funds exist to make a further distribution to unitholders. The timing and amount of any distributions to be paid to unsecured creditors and unitholders cannot be determined at this time.

The Issuer's Canadian tax returns for 2012 were filed in June 2013, on time, and the Fund filed its U.S. tax returns for 2012, on time.

2. Provide a general overview and discussion of the activities of management.

The activities of the Monitor are focused on overseeing the CCAA process.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

N/A.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the

relationship.

N/A

- 8. Describe the acquisition of new customers or loss of customers.**

N/A.

- 9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.**

N/A.

- 10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.**

N/A.

- 11. Report on any labour disputes and resolutions of those disputes if applicable.**

N/A.

- 12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.**

Refer to the Issuer's most recent MD&A and the Monitor's Eighteenth Report for information on other legal proceedings material to the Issuer. More information about the Arctic Glacier Parties' CCAA proceeding can be found on the website of its Court-appointed monitor at <http://www.alvarezandmarsal.com/arctic-glacier-income-fund-arctic-glacier-inc-and-subsidiaries>.

- 13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.**

N/A.

- 14. Provide details of any securities issued and options or warrants granted.**

N/A.

- 15. Provide details of any loans to or by Related Persons.**

N/A.

- 16. Provide details of any changes in directors, officers or committee members.**

N/A.

- 17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.**

N/A.

CERTIFICATE OF COMPLIANCE

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
3. All of the information in this Form 7 Monthly Progress Report is true.

[Signature Page Follows]

Dated Oct. 7, 2014

Hugh Adams

Name of Director or Senior Officer

(signed) "Hugh Adams"

Signature

Corporate Secretary

Official Capacity

Name of Issuer Arctic Glacier Income Fund	For September 2014	Date of Report 7/10/2014
Issuer Address c/o 30 – 360 Main Street, Winnipeg, Manitoba, R3C 4G1 Attention: Mr. Hugh A. Adams, Secretary		
City/Province/Postal Code Winnipeg, Manitoba R3A 0V1	Issuer Fax (204) 957-4437	Issuer Telephone No. (204) 957-4685
Contact Name Hugh Adams	Contact Position Corporate Secretary	Contact Telephone No. (204) 957-4685
Contact Email Address HAA@aikins.com		