

**FORM 7**  
**JUNE 2012 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:** July 4, 2012

**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.**

On June 5, 2012, the Issuer announced that Ontario Superior Court approved the settlement of the class action lawsuit filed by unitholders of the Issuer. The Court Order found the settlement of \$13.75 million to be fair and reasonable to the class members and approved the settlement agreement. The settlement will be entirely funded by the Issuer's insurers, without the Issuer making any admission of liability or making any monetary contribution to the settlement.

On June 5, 2012, the Issuer also announced it has partnered with HISTORY, a specialty television channel, to launch the current season of the hit *Ice Road Truckers* television series. To mark the occasion, the Issuer introduced IRT Ice – the first-ever co-branded line of ice exclusively from the Issuer – at a ceremony held in New York City.

On June 8, 2012, the Issuer announced that it has entered into a binding agreement to sell substantially all of its business and assets (the "Transaction") to an affiliate of H.I.G. Capital (the "Purchaser"), a prominent private equity investment fund headquartered in Miami, Florida. H.I.G. Capital submitted its proposal in accordance with the Issuer's court approved Sale and Investor Solicitation Process ("SISP") under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA").

On June 22, 2012, the Issuer announced it has obtained an order of the Manitoba Court of Queen's Bench pursuant to the CCAA approving the Transaction, and on June 29, 2012, the Issuer provided an update on the Transaction, including the purchase price, which is estimated to be US\$434.5 million (subject to a customary closing working capital adjustment and other adjustments).

Otherwise, the Issuer's business and operations were carried on in the ordinary course.

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

The activities of management focused on: (a) obtaining the approval of the Ontario Superior Court of the settlement of the class action lawsuit filed by unitholders of the Issuer; (b) executing the agreement to sell substantially all of the Issuer's business and assets to the Purchaser; and (c) maintaining all operations at their normal capacity in both Canada and the United States.

**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.**

On June 5, 2012, the Issuer announced it has partnered with HISTORY, a specialty television channel, to launch the current season of the hit *Ice Road Truckers* television series. To mark the occasion, the Issuer introduced IRT Ice – the first-ever co-branded line of ice exclusively from the Issuer – at a ceremony held in New York City.

**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.**

There was no expiry or termination of any material contracts or agreements.

- 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.**

There were no material acquisitions by the Issuer or material dispositions of the Issuer's assets other than in the ordinary course of business (i.e., normal course sale of inventory). However, the Issuer entered into an agreement to sell substantially all of the Issuer's business and assets to the Purchaser.

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

There was no material acquisition of new customers or loss of customers that would have a material effect on financial results.

- 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.**

There were no employee hirings, terminations or lay-offs other than in the ordinary course of business.

- 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 for information on other legal proceedings material to the Issuer.

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

No indebtedness was incurred or repaid by the Issuer that would have a material effect on financial results.

**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.**

Refer to the Issuer's most recent MD&A for the Issuer's analysis of any trends likely to impact the Issuer.

## **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 July 4, 2012

Keith McMahon

Name of Director or Senior Officer

(signed) "Keith McMahon"

Signature

President and Chief Executive Officer

Official Capacity

<b>Name of Issuer</b> Arctic Glacier Income Fund	<b>For</b> June 2012	<b>Date of Report</b> 12/07/04
<b>Issuer Address</b> 625 Henry Avenue		
<b>City/Province/Postal Code</b> Winnipeg, Manitoba R3A 0V1	<b>Issuer Fax</b> (204) 783-9857	<b>Issuer Telephone No.</b> (204) 772-2473
<b>Contact Name</b> Keith McMahon	<b>Contact Position</b> President & CEO	<b>Contact Telephone No.</b> (204) 772-2473
<b>Contact Email Address</b> kcmahon@arcticglacier.com	<b>Web Site Address</b> <a href="http://www.arcticglacier.com">http://www.arcticglacier.com</a>	