

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF
COMPROMISE OR ARRANGEMENT WITH RESPECT TO
ARCTIC GLACIER INCOME FUND, ARCTIC GLACIER INC.,
ARCTIC GLACIER INTERNATIONAL INC. AND THE ADDITIONAL
APPLICANTS LISTED ON APPENDIX "A" HERETO
(COLLECTIVELY, "THE APPLICANTS")**

**SUPPLEMENT TO THE SEVENTEENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.
OCTOBER 15, 2014**

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1.0 INTRODUCTION

- 1.1 On August 26, 2014, the Monitor filed the seventeenth report (the “**Seventeenth Report**”) in the CCAA Proceedings. Section 5.9 of the Seventeenth Report provides that the Monitor will file a report that will provide an update with respect to, among other things, delays to the anticipated Plan Implementation Date. This supplement is made in reference to the Seventeenth Report. Capitalized terms not otherwise defined herein are as defined in the Applicants’ consolidated plan of compromise or arrangement dated May 21, 2014, as amended on August 26, 2014 and as may be further amended, supplemented or restated from time to time in accordance with the terms therein (the “**Plan**”).

2.0 PURPOSE OF THE SUPPLEMENT TO THE SEVENTEENTH REPORT

- 2.1 The purpose of this supplement to the Seventeenth Report is to provide this Honourable Court with an update regarding the Plan Implementation Date.

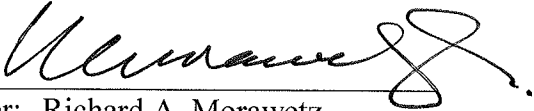
3.0 PLAN IMPLEMENTATION DATE

- 3.1 As described in the fifteenth report of the Monitor dated May 14, 2014 and in the Seventeenth Report, the anticipated Plan Implementation Date was October 15, 2014. However, implementation of the Plan is subject to the fulfillment of various conditions precedent. The Monitor and the Applicants continue to work diligently towards satisfying all conditions precedent to Plan implementation. The Monitor will be providing stakeholders with additional information in the form of a court report in the next few weeks with respect to the progress made in satisfying these conditions precedent and the new anticipated Plan Implementation Date.

3.2 Arctic Glacier Income Fund disclosed the information contained herein by way of a press release on October 15, 2014 (attached as Appendix “B” hereto).

All of which is respectfully submitted to this Honourable Court this 15th day of October, 2014.

**Alvarez & Marsal Canada Inc., in its capacity
as Monitor of Arctic Glacier Income Fund,
Arctic Glacier Inc., Arctic Glacier International Inc. and
the other Applicants listed on Appendix "A".**

A handwritten signature in black ink, appearing to read 'Morawetz', with a large, stylized flourish at the end.

Per: Richard A. Morawetz
Senior Vice President

APPENDIX “A”

ADDITIONAL APPLICANTS

Arctic Glacier California Inc.
Arctic Glacier Grayling Inc.
Arctic Glacier Lansing Inc.
Arctic Glacier Michigan Inc.
Arctic Glacier Minnesota Inc.
Arctic Glacier Nebraska Inc.
Arctic Glacier Newburgh Inc.
Arctic Glacier New York Inc.
Arctic Glacier Oregon Inc.
Arctic Glacier Party Time Inc.
Arctic Glacier Pennsylvania Inc.
Arctic Glacier Rochester Inc.
Arctic Glacier Services Inc.
Arctic Glacier Texas Inc.
Arctic Glacier Vernon Inc.
Arctic Glacier Wisconsin Inc.
Diamond Ice Cube Company Inc.
Diamond Newport Corporation
Glacier Ice Company, Inc.
Ice Perfection Systems Inc.
ICESurance Inc.
Jack Frost Ice Service, Inc.
Knowlton Enterprises, Inc.
Mountain Water Ice Company
R&K Trucking, Inc.
Winkler Lucas Ice and Fuel Company
Wonderland Ice, Inc.

APPENDIX “B”

Arctic Glacier Income Fund Provides Update on Plan Implementation

WINNIPEG, October 15, 2014 – Arctic Glacier Income Fund (CNSX:AG.UN) (the “Fund”) announced today that the Fund and certain of its subsidiaries (collectively, the “Applicants”) have postponed implementation of the consolidated plan of compromise or arrangement dated May 21, 2014, as amended (the “Plan”).

As described in the fifteenth and seventeenth reports of Alvarez & Marsal Canada Inc., in its capacity as the court-appointed monitor (the “Monitor”) of the Applicants, dated May 14, 2014 and August 26, 2014, respectively, the anticipated date of Plan implementation was October 15, 2014. However, implementation of the Plan is subject to the fulfillment of various conditions precedent. The Monitor and the Applicants continue to work diligently towards satisfying all conditions precedent to Plan implementation. The Monitor will be providing stakeholders with additional information in the form of a court report in the next few weeks with respect to the progress made in satisfying these conditions precedent and the new anticipated date of Plan implementation.

More information about the Arctic Glacier Parties’ CCAA proceeding under the *Companies’ Creditors Arrangement Act* can be found on the website of Alvarez & Marsal Canada Inc., the Court-appointed monitor, at <http://www.alvarezandmarsal.com/arctic-glacier-income-fund-arctic-glacier-inc-and-subsidiaries>.

Forward-Looking Statements

Certain statements included herein constitute “forward-looking statements”. All statements, other than statements of historical fact, included in this release that address future activities, events, developments or financial performance are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “future” or “continue” or the negative thereof or similar variations. These forward-looking statements are based on certain assumptions and analyses made by the Fund and its management, in light of their experiences and their perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. Investors are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties, assumptions and other factors, many of which are outside the control of the Fund, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other things, the CCAA process. Readers are cautioned that the foregoing list is not exhaustive. Such forward-looking statements should, therefore, be construed in light of such factors. If any of these risks or uncertainties were to materialize, or if the factors and assumptions underlying the forward-looking information were to prove incorrect, actual results could vary materially from those that are expressed or implied by the forward-looking information contained herein. All forward-looking statements attributable to the Fund, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements set forth above. Readers are cautioned not to place undue reliance

on forward-looking statements contained herein, which reflect the analysis of the management of the Fund, as appropriate, only as of the date of this release. For more information regarding these and other risks, readers should consult the Fund's reports on file with applicable securities regulatory authorities accessible online by going to SEDAR at www.sedar.com. The Fund is under no obligation, and the Fund expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

About the Fund

Arctic Glacier Income Fund trust units are listed on the Canadian National Stock Exchange under the trading symbol AG.UN. There are 350.3 million trust units outstanding.