

An image of an Arctic Glacier Premium Ice bar, showing the wrapper with the brand name and a mountain scene. The bar is positioned diagonally across the top right of the page.

DISTRIBUTION REINVESTMENT and Optional Unit Purchase Plan

ARCTIC GLACIER INCOME FUND

DISTRIBUTION REINVESTMENT and Optional Unit Purchase Plan

Purpose

Arctic Glacier Income Fund (the "Fund") has established this distribution reinvestment and optional unit purchase plan (the "Plan") to offer eligible registered holders and beneficial owners of trust units of the Fund ("Trust Units") a convenient method to reinvest distributions on Trust Units ("Distributions") declared and payable to them, and make optional cash payments (each an "Optional Cash Payment" or "OCP") to be invested in additional Trust Units ("Plan Units"), as described below.

The Fund makes Distributions on a monthly basis, paid on the 15th day of each month (the "Distribution Date") to unitholders of record (collectively, the "Unitholders" and each, a "Unitholder") on the last business day of the previous month (each a "Record Date").

Distributions on Trust Units (and on Plan Units) will be reinvested on behalf of those registered holders and beneficial owners of Trust Units who participate in the Plan ("Plan Participants") by Computershare Trust Company of Canada, as agent under the Plan (the "Plan Agent"), on the terms and conditions contained in the Fund's distribution reinvestment plan agency agreement (the "Agreement"). In addition, to the extent permitted under applicable law and regulatory rulings, Plan Participants will be entitled to make Optional Cash Payments which will be invested in Trust Units by the Plan Agent on the terms and conditions contained in the Agreement. The material provisions of the Agreement are summarized below.

Participation in the Plan

A registered holder of Trust Units may elect to become a Plan Participant by completing an authorization form and sending it to the Plan Agent. Participation commences in regard to the investment of Distributions as of the first Record Date occurring five (5) days after receipt of the form by the Plan Agent. Once a registered holder of Trust Units has enrolled as a Plan Participant, participation continues until terminated in accordance with the terms of the Plan. Beneficial owners of Trust Units may elect to become a Plan Participant by notifying the Plan Agent via the applicable participant ("CDS Participant") in the Canadian Depository for Securities Limited ("CDS") depository service through which such beneficial owner holds its Trust Units that it wishes to become a Plan Participant. A CDS Participant must provide such notice on behalf of a Plan Participant to CDS in the prescribed form prior to 5:00 p.m. (Toronto time) no later than three (3) business days prior to a Record Date in respect of a Distribution. CDS will, in turn be required to provide such notice to the Plan Agent prior to 5:00 p.m. (Toronto time) two (2) business days immediately preceding each Record Date in respect of each Distribution in which such Plan Participant intends to participate.

Participation in the Plan is restricted to residents of Canada.

DISTRIBUTION REINVESTMENT and Optional Unit Purchase Plan

Administration

The Fund shall pay to the Plan Agent, on behalf of Plan Participants, all Distributions paid on Trust Units registered in the Plan (including Plan Units), on the Record Date immediately preceding such Distribution. The Plan Agent shall purchase Plan Units for the Plan Participants on the terms and conditions set out below under "Purchase of Plan Units by Plan Agent" and in the Agreement. The Plan Agent shall not be obligated to expend any of its own funds in carrying out its duties under the Agreement and shall not be liable for failing to do so.

Plan Units purchased for CDS will be credited by CDS for the benefit of a Plan Participant to the account of the applicable CDS Participant through whom a Plan Participant holds Trust Units. Plan Units purchased for registered holders of Trust Units will be registered in the name of the Plan Agent as agent for such Plan Participants.

The Plan Agent, on behalf of Plan Participants who are registered holders of Trust Units, will maintain an account under the Plan for each such Plan Participant linked with the Plan Participant's registered account outside the Plan.

Purchase of Plan Units by Plan Agent

Trust Units purchased under the Plan with respect to a particular Distribution Date will be purchased directly from the Fund at a price to Plan Participants (the "Purchase Price") based on the volume weighted average price of all Trust Units traded on The Toronto Stock Exchange ("TSX") on the ten (10) business days preceding such Distribution Date (the "Average Market Price").

On each Distribution Date, the Fund will advise the Plan Agent of the Average Market Price for the Plan Units to be purchased by the Plan Agent on behalf of the Participants and the number of Plan Units to be issued.

The Purchase Price of Plan Units purchased with reinvestment of Distributions shall be 95% of the Average Market Price.

The Purchase Price of Plan Units purchased with Optional Cash Payments (as defined below) will be 100% of the Average Market Price.

Optional Cash Payments

To the extent permitted by applicable law and regulatory rulings, Plan Participants may contribute additional funds in excess of reinvested Distributions for the purpose of acquiring additional Plan Units on a Distribution Date, provided that Optional Cash Payments made by any Plan Participant shall not be less than \$1,000 per Distribution Date and not more than \$12,000 per calendar year. To make Optional Cash Payments, a Plan Participant must send a certified cheque for the aggregate Optional Cash Payments made payable to "Computershare Trust Company of Canada" to the Plan Agent accompanied by the prescribed form(s) (the "Authorization Form") by 5:00 p.m. (Toronto time) on the day which is two (2) business days prior to a Distribution Date in order to be used to purchase Plan Units in respect of such Distribution Date. Any Optional Cash Payments received following the time specified will be held by the Plan Agent and be used to Purchase Plan Units in respect of the following Distribution Date.

Any Optional Cash Payment received by the Plan Agent will be irrevocable and no interest will be paid by the Fund or the Plan Agent on any money received as Optional Cash Payments.

Applicable securities laws restrict the number of Plan Units that may be issued by the Fund each calendar year pursuant to Optional Cash Payments to not more than 2% of the number of issued and outstanding Trust Units at the commencement of such calendar year. Once that limit is reached, Optional Cash Payments received for the current Distribution Date will be invested pro rata and any excess funds will be returned to Plan Participants.

Fractional Trust Units

Plan Participants who are beneficial owners of Trust Units through CDS should consult their investment advisor with respect to the treatment of fractional Trust Units that could notionally exist from the reinvestment of a Plan Participant's Distribution, as some CDS Participants will facilitate the accumulation of fractional Trust Units in a Plan Participant's account while others will not.

No fractional Plan Units will be issued under the Plan to CDS Participants. A cash adjustment for any fractional Plan Units will be paid by the Plan Agent to CDS on a monthly basis which CDS will credit to the Plan Participants via the applicable CDS Participants.

Fractional Plan Units may be held in accounts maintained by the Plan Agent on behalf of Plan Participants who are registered holders of Trust Units. Distributions to such Plan Participants will be fully invested in Plan Units, including fractions calculated to six decimal places.

Plan Unit Certificates and Reports

Certificates representing Plan Units purchased under the Plan will not be issued to Plan Participants. Reports, if any, with respect to purchases of Plan Units registered in the name of CDS will be provided to Plan Participants by their applicable CDS Participant only. For each account maintained by the Plan Agent for a Plan Participant who is a registered holder of Trust Units, the Plan Agent will mail a quarterly statement to each such Plan Participant approximately three (3) weeks following the relative Distribution Date. These statements will report cash distributions received, purchases and withdrawals made, Plan Units held by the Plan Agent in such Plan Participant's account under the Plan, and should be retained for income tax purposes. In addition, each such Plan Participant will be sent the appropriate information for tax reporting purposes annually as required by law.

Voting of Plan Units

Plan Units may be voted in the same manner as the Plan Participant's Trust Units are voted, either in person or by proxy.

Commissions and Administrative Costs

There will be no commissions or brokerage charges payable on the purchase of Plan Units. All administrative costs of the Plan will be borne by the Fund as set out in the Agreement.

Use of Proceeds

Proceeds received by the Fund upon the purchase of Plan Units will be used for general corporate purposes as described in the Declaration of Trust.

DISTRIBUTION REINVESTMENT and Optional Unit Purchase Plan

Responsibilities of the Fund and the Plan Agent

The Fund and the Plan Agent shall not be liable for any act, or for any omission to act, in connection with the operation of the Plan including, without limitation, any claims of liability with respect to the prices at which Plan Units are purchased for the Plan Participants.

Plan Participants should recognize that neither the Fund nor the Plan Agent can assure a profit or protect against a loss on Plan Units purchased under the Plan.

Amendments, Suspension or Termination of Plan and Plan Agent

The Fund reserves the right to suspend or terminate the Plan at any time in its sole discretion upon not less than thirty (30) days notice to (i) the Plan Participants who are registered holders of Trust Units (ii) CDS, and (iii) the Plan Agent. Subject to the approval of the TSX, the Fund may also amend the Plan at any time in its sole discretion in accordance with the Agreement and may, in consultation with the Plan Agent, adopt additional rules and regulations to facilitate the administration of the Plan.

The Fund may, in its sole discretion, and upon not less than 30 days prior notice to the Plan Agent, remove the Plan Agent and appoint any person or entity licensed to carry on the business of a trustee in Alberta as the Plan Agent.

Similarly, the Plan Agent may resign as agent under the Plan at any time upon not less than thirty (30) days prior notice to the Fund and upon delivery to the Fund of all property and records held by the Plan Agent in connection with the Plan and the Agreement

Termination of Participation

A Plan Participant who is a registered holder of Trust Units may terminate participation in the Plan at any time by duly completing a Termination Request form and returning it to the Plan Agent so that it is received by the Plan Agent no later than five (5) business days prior to the applicable Record Date. The signature of the Plan Participant must correspond exactly to the name of the registered Unitholder(s). If the Termination Request form is received by the Plan Agent following the time specified, the Plan Participant will not be terminated from the Plan until the next Record Date.

Upon termination of the Plan, the Plan Participant will receive as soon as practicable from the Plan Agent a certificate for the whole Plan Units held in the Plan Participant's account and a cheque payment in lieu of any fractional Plan Units held in the Plan Participant's account. The Plan Agent does not sell whole Plan Units held for Plan Participants. The cheque payment for any fractional Plan Unit will be based on the Average Market Price last used by the Plan Agent for the immediately preceding Distribution Date.

In the case of termination of participation in the Plan due to death, a certificate for the whole Plan Units and a cheque for payment in lieu of fractional Plan Units, if any, will be issued by the Plan Agent in the name of the estate of the deceased Plan Participant, upon receipt by the Plan Agent of a satisfactory written direction from the executor to terminate such account.

In the event that a Plan Participant becomes ineligible to participate in the Plan (by change of status or otherwise), the participation of such Plan Participant will be terminated by the Plan Agent. In this case, a certificate for the number of whole Plan Units held in the Plan Participant's account will be issued in the name of the Plan Participant and the Plan Agent will send a certificate for the whole Plan Units and a cheque for payment in lieu of fractional Plan Units, if any, less any withholding or non-resident taxes, to the Plan Participant.



Notices

All notices required to be given to Plan Participants will be given via the CDS Participants through which they hold their Trust Units or directly to Plan Participants who are registered owners of Trust Units.

Written communications to the Plan Agent should be addressed to:

Arctic Glacier Income Fund

c/o Computershare Trust Company of Canada
100 University Avenue, 9th Floor
Toronto, Ontario
M5J 2Y1

Attention: Dividend Reinvestment Dept.

Telephone: 800.564.6253
Facsimile: 416.263.9394

Effective Date

The effective date of the Plan is September 1, 2003.



ARCTIC GLACIER INCOME FUND

ARCTIC GLACIER INC.

CORPORATE OFFICE

625 Henry Avenue, Winnipeg, Manitoba, Canada R3A 0V1
Phone: 204.772.2473 • Fax: 204.783.9857 • Toll free: 888.573.9237

www.arcticglacierinc.com