

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA
ONTARIO AND QUEBEC

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
THE ARCTIC GROUP INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Manitoba, Ontario and Quebec (the "Jurisdictions") has received an application from Arctic Glacier Inc., the successor by amalgamation to The Arctic Group Inc. (the "Corporation") that the Corporation be deemed to have ceased to be a reporting issuer or the equivalent under the securities legislation (the "Legislation") of each of the Jurisdictions;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), The Manitoba Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 *Definitions* or Quebec Commission Notice 14-101;

AND WHEREAS the Corporation has represented to the Decision Maker that:

1. The Arctic Group Inc. was incorporated under the laws of Alberta on March 1, 1996 as 686363 Alberta Ltd. It changed its name to The Arctic Group Inc. on May 1, 1996. Its Articles were amended pursuant to Articles of Amendment filed September 18, 1996 to remove its private company restrictions. The Articles were further amended pursuant to Articles of Amendment filed August 17, 1999 to create a specific class of Preferred Shares, the Series One Preferred Shares. On March 22, 2002, The Arctic Group Inc. amalgamated under the laws of Alberta with Arctic Glacier Inc., a wholly owned subsidiary of Arctic Glacier Fund. The amalgamated corporation was named Arctic Glacier Inc.;
2. The Corporation's head office is located at 625 Henry Avenue, Winnipeg, Manitoba, R3A 0V1. The registered office of the Corporation is located at 1900, 715 - 5th Avenue SW, Calgary, Alberta, T2P 2X6;

3. Other than its failure to file the annual information form for the year ended December 31, 2002 and interim financial statements for the period ended March 31, 2002 and June 30, 2002, the Corporation is not in default of any requirement under the Legislation;
4. On February 21, 1997, The Arctic Group Inc. became a reporting issuer in British Columbia, Alberta, Saskatchewan and Manitoba by filing a prospectus in those provinces to qualify its initial public offering. The common shares and warrants of The Arctic Group Inc. were listed for trading on The Alberta Stock Exchange (which was subsequently amalgamated with the Vancouver Stock Exchange to become the Canadian Venture Exchange which is now known as the TSX Venture Exchange) on April 9, 1997;
5. On December 18, 1998, The Arctic Group received receipts for a final prospectus from the securities commissions in each of British Columbia, Alberta, Manitoba and Quebec. The Ontario Securities Commission issued a receipt for that prospectus on December 21, 1998;
6. On December 31, 1999, the common shares of The Arctic Group Inc. were listed and posted for trading on The Toronto Stock Exchange and thus were voluntarily de-listed from the Canadian Venture Exchange (now known as the TSX Venture Exchange) effective February 1, 2000;
7. On January 31, 2002, The Arctic Group's board of directors agreed to a reorganization of the company into an income trust to be called the Arctic Glacier Income Fund (the "Fund"). The transaction was to be accomplished by way of a plan of arrangement that was to be subject to approval by shareholders, holders of options and holders of convertible debentures at a meeting to be held on March 11, 2002. The plan of arrangement was also subject to court and other regulatory approvals;
8. The proposed reorganization of The Arctic Group Inc. into the "Fund" pursuant to a plan of arrangement was approved by shareholders, holders of options and holders of convertible debentures at its special meeting held on March 11, 2002. The final order approving the arrangement from the Court of Queen's Bench of Alberta was also issued on Monday, March 11, 2002;
9. Under the arrangement, the Corporation indirectly became a wholly owned subsidiary of the Fund;
10. Subsequent to the Arrangement there remains outstanding \$1,257,500 8.25% convertible debentures which mature December 8, 2002 ("Convertible Debentures") as at September 3, 2002 held by 10 security holders: 7 in Ontario, 2 in Quebec and 1 in Manitoba. Holders of Convertible Debentures received all the same materials provided to holders of common shares, and a majority voted in favour of the arrangement.
11. On March 22, 2002, the units of the Fund commenced trading on the Toronto Stock Exchange (now known as the TSX) under the symbol AG.UN. On the same date, the common shares of the Corporation were de-listed from that exchange;

12. No securities of the Corporation are listed or quoted on any exchange or market;

13. The Corporation has no securities, including debt securities, outstanding other than the common shares which are owned by the Fund and the Convertible Debentures; and

14. The Corporation does not intend to seek public financing by way of an offering of its securities.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is the Corporation is deemed to have ceased to be a reporting issuer or the equivalent under the Legislation.

Dated September 30th, 2002

Deputy Director - Legal