
ARCTIC GLACIER INCOME FUND

2010 TAX INFORMATION

THIS SUMMARY IS INTENDED TO PROVIDE INDIVIDUAL UNITHOLDERS OF THE FUND ADDITIONAL INFORMATION TO ASSIST IN THE PREPARATION OF THEIR 2010 INCOME TAX RETURNS. THE INFORMATION PRESENTED IS OF A GENERAL NATURE ONLY, AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL, BUSINESS OR TAX ADVICE TO ANY PARTICULAR UNITHOLDER. THE FUND RECOMMENDS THAT UNITHOLDERS CONSULT THEIR OWN TAX ADVISORS REGARDING THE INCOME TAX CONSIDERATIONS APPLICABLE TO THEM IN THEIR PARTICULAR CIRCUMSTANCES.

CANADIAN RESIDENTS

2010 Taxable Income Summary for Income Tax Purposes

There were no distributions in 2010 and as a result there is no taxable income or return of capital for Canadian residents.

UNITED STATES RESIDENTS

2010 Taxable Income Summary for Income Tax Purposes

The following chart summarizes taxable income by month (in Canadian dollars) of the Fund per trust unit for U.S. residents:

Month	U.S. Source Income	Canadian Source Income	Return of Capital (Tax Deferred)	Total
January, 2010	\$0.00000	\$0.00125	\$0.00000	\$0.00125
February, 2010	\$0.00000	\$0.00114	\$0.00000	\$0.00114
March, 2010	\$0.00000	\$0.00125	\$0.00000	\$0.00125
April, 2010	\$0.00000	\$0.00122	\$0.00000	\$0.00122
May, 2010	\$0.00000	\$0.00125	\$0.00000	\$0.00125
June, 2010	\$0.00000	\$0.00122	\$0.00000	\$0.00122
July, 2010	\$0.00000	\$0.00125	\$0.00000	\$0.00125
August, 2010	\$0.00000	\$0.00125	\$0.00000	\$0.00125
September, 2010	\$0.00000	\$0.00121	\$0.00000	\$0.00121
October, 2010	\$0.00000	\$0.00125	\$0.00000	\$0.00125
November, 2010	\$0.00000	\$0.00121	\$0.00000	\$0.00121
December, 2010	\$0.00000	\$0.00125	\$0.00000	\$0.00125
2010 Total	\$0.00000	\$0.01475	\$0.00000	\$0.01475
<i>Allocation</i>	<i>0.0%</i>	<i>100.0%</i>	<i>0.0%</i>	<i>100.0%</i>

AGIF elected to be taxed as a partnership for U.S. tax purposes in 2004 to enable a more efficient flow of funds from our U.S. operations to the Fund.

A partnership is not subject to tax itself, and taxable income of the partnership is allocated to the partners. There was a small amount of U.S. taxable income in the Fund in 2010, which is allocated out to the U.S. partners.

This is consistent with previous years where it was the allocation of taxable income, and not the entire distribution that unitholders received from the Fund, that was taxable income in the year for our U.S. unitholders.

The 2010 income allocations are **not** considered Qualifying Dividends under the Jobs and Growth Tax Relief Reconciliation Act of 2003. Please note that 2010 income allocations are comprised of U.S. source income and foreign source income for U.S. tax purposes. For U.S. purposes, the Fund is taxed as a partnership. U.S. investors who hold Fund units registered in the investor's name and who received cash distributions in 2010 will receive a K-1 Form "Partner's Share of Income, Deductions, Credits, etc." directly from the Fund prior to March 15, 2011. If the Fund units are held in the name of a broker or intermediary, the investor will receive their tax forms as prepared by their broker, bank, or other intermediary.

Adjusted Cost Base

Investors who hold Fund units are required to reduce the Adjusted Cost Base of their units by the cumulative amount of any distributions received. Taxable income allocated in the year to the investor increases the investor's Adjusted Cost Base of the investment. The Adjusted Cost Base is used in calculating capital gains and losses on the sale of units that are held as capital property by the owner.