

Third Quarter 2017 Management's Discussion & Analysis ("MD&A")

Forward-Looking Statements

In this MD&A, Glacier Media Inc. and its subsidiaries are referred to collectively as "Glacier", "us", "our", "we" or the "Company" unless the context requires otherwise.

The information in this report is as at November 10, 2017.

Glacier Media Inc.'s Interim Report, including this MD&A and the accompanying Report to Shareholders, contains forward-looking statements that relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates and can generally be identified by the use of statements that include phrases such as "believe", "expected", "anticipate", "intend", "plan", "likely", "will", "may", "could", "should", "would", "suspect", "outlook", "estimate", "forecast", "objective", "continue" (or the negative thereof) or similar words or phrases. These forward-looking statements include, among other things, statements relating to our expectations regarding revenues, expenses, cash flows, future profitability and the effect of our strategic initiatives and restructuring, including our expectations to grow certain operations, to generate new revenues, to generate sufficient cash flow from operations to meet anticipated working capital, capital expenditures, and debt service requirements, to reduce debt levels and that reduced debt levels in investment entities will result in further distributions and cash flow to the Company. These forward-looking statements are based on certain assumptions, including continued economic growth and recovery and the realization of cost savings in a timely manner and in the expected amounts, which are subject to risks, uncertainties and other factors which may cause results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, and undue reliance should not be placed on such statements.

Important factors that could cause actual results to differ materially from these expectations include failure to implement or achieve the intended results from our strategic initiatives, the failure to reduce debt and the other risk factors listed in our Annual Information Form under the heading "Risk Factors" and in our interim MD&A under the heading "Business Environment and Risks", many of which are out of our control. These other risk factors include, but are not limited to, the ability of the Company to sell advertising and subscriptions related to its publications, foreign exchange rate fluctuations, the seasonal and cyclical nature of the agricultural and energy sectors, discontinuation of the Department of Canadian Heritage's Canada Periodical Fund's Aid to Publishers, general market conditions in both Canada and the United States, changes in the prices of purchased supplies including newsprint, the effects of competition in the Company's markets, dependence on key personnel, integration of newly acquired businesses, technological changes, tax risk, financing risk and debt service risk.

The forward-looking statements made in the Company's Interim Report, including this MD&A and the accompanying Report to Shareholders, relate only to events or information as of the date on which the statements are made. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

The Interim Report, this MD&A and the documents to which we refer herein should be read completely and with the understanding that our actual future results may be materially different from what we expect.

Basis of Discussion and Analysis

The following management discussion and analysis of the financial condition and results of operations of the Company and other information is dated as at September 30, 2017 and should be read in conjunction with the Company's annual consolidated financial statements and notes thereto as at and for the period ended December 31, 2016. The annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements include only significant events and transactions affecting the Company during the current fiscal period and do not include all disclosures normally provided in the Company's annual consolidated financial statements. As a result, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the period ended December 31, 2016 and related MD&A which can be obtained on the

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Company's website: www.glaciermedia.ca and on the System for Electronic Document Analysis and Retrieval ("SEDAR"). Interim results are not necessarily indicative of the results expected for the fiscal year.

Non-IFRS Measures

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA margin, EBITDA per share, cash flow from operations, cash flow from operations per share, net income attributable to common shareholders before non-recurring items and net income attributable to common shareholders before non-recurring items per share are not generally accepted measures of financial performance under IFRS. In addition, certain results in this MD&A stated to be "adjusted" have been presented on an adjusted basis that includes the Company's shares of revenue, expenses, assets and liabilities from its joint venture operations, which reflects the basis on which management makes its operating decisions and performance evaluation. These adjusted measures are also not generally accepted measures of financial performance under IFRS. Management utilizes these financial performance measures to assess profitability and return on equity in its decision making. In addition, the Company, its lenders and its investors use EBITDA to measure performance and value for various purposes. Investors are cautioned, however, that EBITDA should not be construed as an alternative to net income attributable to common shareholders determined in accordance with IFRS as an indicator of the Company's performance.

The Company's method of calculating these financial performance measures may differ from other companies and, accordingly, they may not be comparable to measures used by other companies. A quantitative reconciliation of these non-IFRS measures is included in the section entitled EBITDA, Cash Flow from Operations, Net Income Attributable to Common Shareholders before Non-Recurring Items and Net Income Attributable to Common Shareholders before Non-Recurring Items Reconciliation with Per Share Amounts and a reconciliation of the adjusted non-IFRS measures is included in the section entitled Reconciliation of IFRS to Adjusted Results in this MD&A.

All financial references are in millions of Canadian dollars unless otherwise noted.

Overview of the Business

Glacier operates as an information and marketing solutions company pursuing growth in sectors where the provision of essential information and related services provides high customer value. The Company's "go to market" strategy is being pursued through two operational areas:

1. Data, analytics and intelligence; and
2. Content and marketing solutions

Through its brands and operations, Glacier serves clients in three segments:

Environmental, Property and Financial Information

- | | |
|--|--|
| Environmental and Property Information | • ERS (Environmental Risk Information Services), Specialty Technical Publishers ("STP") and REW.ca |
| Financial Information | • Fundata (50% interest) |

Commodity Information

- | | |
|-------------------------------|---|
| Agricultural Information | • Glacier FarmMedia ("GFM"): Western Producer, Farm Business Communications, Canada's Outdoor Farm Show, Ag In Motion, AgDealer and Weather INnovations Network ("WIN") |
| Energy and Mining Information | • JuneWarren-Nickle's Energy Group (including CanOils) ("JWN"), Evaluate Energy, Northern Miner Group and Infomine (50% interest) |

Community Media

- | | |
|-----------------|--|
| Community Media | • Local daily and weekly newspapers and related publications, websites and digital products in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and the United States (includes direct, joint venture and other interests) |
|-----------------|--|

For additional information on Glacier's operations see the Company's Annual Information Form as filed on SEDAR (www.sedar.com).

Significant Developments in 2017 and Outlook

Glacier's third quarter results continue to be consistent with the trend in the year-to-date 2017 results. Declines in print revenues affected the Company's community media results, as well as agriculture and energy advertising sales. Progress continues to be made in the growth areas the Company is pursuing, which is resulting in overall revenue and profit growth in these areas.

The environmental, property and financial information operations experienced another strong quarter. Revenue growth continues to be achieved, while operation investments continue to be made in these businesses.

The Company's commodity information operations continued to face adverse conditions in the quarter mainly due to the depressed energy and agricultural prices. Glacier FarmMedia was heavily impacted by the low commodity prices and continuing industry consolidation among key customers. Revenue declines were partially offset by increases in the successful agricultural exhibition shows which were held during the quarter.

The Company's mining information group continued to generate revenue and profit growth, benefiting from both the recovery in the mining sector as well as growth in advertising, circulation and events revenues. Overall, the commodity information operations experienced lower revenue and EBITDA declines versus recent quarters as market conditions improved somewhat, and operational refocusing, restructuring and growth in targeted initiatives generated improved results.

The Company's community media operations experienced a soft quarter. Ongoing print advertising challenges in the community media industry, combined with economic challenges in certain areas, continue to weigh on the results of the operations.

Digital community media operations continue to develop well, with continued progress being made in the Company's various digital products and media services being offered. Digital revenues and profits are continuing to grow.

Given the ongoing impact of weak energy and commodity market conditions on the Western Canadian economy, as well as print advertising declines, near-term uncertainty and market risk continues to affect the Company. In light of these conditions, the Company will continue to evaluate cost reduction initiatives where appropriate in the businesses affected.

At the same time, given the growth opportunities that exist in the strategic areas being targeted, and the results that are being generated, the Company will continue to invest in its strategic growth opportunities and revenue generating initiatives.

The Company remains confident in the longer-term outlook for the energy and agriculture sectors, while a rebound in the mining industry is underway.

The Company continues to invest in its environmental, property and financial information and commodity information operations and expects continued growth and value creation. Additional investment is planned for businesses such as ERIS and REW.ca that are experiencing high growth and address large potential markets. Within agricultural information, a number of operations including WIN, the agricultural exhibitions and AgDealer are growing, and investment will continue to be made in these areas. The Company also continues to invest in and improve the value of its energy and mining database and subscription offerings, positioning itself for when the cyclical downturn reverses. Lastly, the Company continues to recruit senior personnel with relevant experience in the key growth operations.

Given the varied outlook, management plans to continue the progress of the last few years in strengthening the Company's financial position by further reducing debt. The reduction in debt in the Company's investment entities over the past year should lead to further cash flow to pay back senior debt. A strengthened balance sheet will mitigate risk while allowing the ongoing and planned operational and capital investments. These investments are necessary to continue the evolution of the Company's products, services and operations, and the growth being realized in a number of the Company's businesses.

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Reconciliation of IFRS to Adjusted Results and Non-IFRS Measures

The following table reconciles the Company's results as reported under IFRS to the results presented on an adjusted basis that includes the Company's shares of revenue, expenses, assets and liabilities from its joint venture operations, which reflects the basis on which management makes its operating decisions and performance evaluation.

(thousands of dollars) except share and per share amounts	Three month ended September 30, 2017			Three month ended September 30, 2016		
	Per IFRS	Differential	Adjusted ⁽¹⁾	Per IFRS	Differential	Adjusted ⁽¹⁾
Revenue	\$ 46,402	\$ 8,364	\$ 54,766	\$ 49,603	\$ 8,824	\$ 58,427
Gross profit ⁽³⁾	\$ 12,528	\$ 4,348	\$ 16,876	\$ 14,195	\$ 4,455	\$ 18,650
Gross margin	27.0%		30.8%	28.6%		31.9%
EBITDA ⁽¹⁾⁽²⁾	\$ 2,920	\$ 3,068	\$ 5,988	\$ 4,534	\$ 3,140	\$ 7,674
EBITDA margin ⁽¹⁾	6.3%		10.9%	9.1%		13.1%
EBITDA per share ⁽¹⁾⁽²⁾	\$ 0.03	\$ 0.02	\$ 0.05	\$ 0.04	\$ 0.03	\$ 0.07
Net income attributable to common shareholders before non-recurring items ⁽¹⁾⁽²⁾	\$ 1,860	\$ (38)	\$ 1,822	\$ 1,563	\$ 55	\$ 1,618
Net income attributable to common shareholders before non-recurring items per share ⁽¹⁾⁽²⁾	\$ 0.02	\$ -	\$ 0.02	\$ 0.01	\$ -	\$ 0.01
Net income attributable to common shareholders	\$ 1,043	\$ (40)	\$ 1,003	\$ 1,784	\$ 41	\$ 1,825
Net income attributable to common shareholders per share	\$ 0.01	\$ -	\$ 0.01	\$ 0.02	\$ -	\$ 0.02
Cash flow from operations before non-recurring items ⁽¹⁾⁽²⁾	\$ 2,602	\$ 2,897	\$ 5,499	\$ 4,713	\$ 2,680	\$ 7,393
Cash flow from operations per share ⁽¹⁾⁽²⁾	\$ 0.02	\$ 0.03	\$ 0.05	\$ 0.04	\$ 0.03	\$ 0.07
Total assets	\$ 244,988	\$ 12,355	\$ 257,343	\$ 255,695	\$ 16,117	\$ 271,812
Weighted average shares outstanding, net	109,828,731		109,828,731	109,152,243		109,152,243

(thousands of dollars) except share and per share amounts	Nine month ended September 30, 2017			Nine month ended September 30, 2016		
	Per IFRS	Differential	Adjusted ⁽¹⁾	Per IFRS	Differential	Adjusted ⁽¹⁾
Revenue	\$ 142,481	\$ 25,908	\$ 168,389	\$ 149,952	\$ 27,598	\$ 177,550
Gross profit ⁽³⁾	\$ 40,777	\$ 13,204	\$ 53,981	\$ 43,969	\$ 14,107	\$ 58,076
Gross margin	28.6%		32.1%	29.3%		32.7%
EBITDA ⁽¹⁾⁽²⁾	\$ 10,394	\$ 9,111	\$ 19,505	\$ 13,335	\$ 9,944	\$ 23,279
EBITDA margin ⁽¹⁾	7.3%		11.6%	8.9%		13.1%
EBITDA per share ⁽¹⁾⁽²⁾	\$ 0.09	\$ 0.09	\$ 0.18	\$ 0.14	\$ 0.10	\$ 0.24
Net income attributable to common shareholders before non-recurring items ⁽¹⁾⁽²⁾	\$ 6,374	\$ (198)	\$ 6,176	\$ 6,337	\$ 428	\$ 6,765
Net income attributable to common shareholders before non-recurring items per share ⁽¹⁾⁽²⁾	\$ 0.06	\$ -	\$ 0.06	\$ 0.07	\$ -	\$ 0.07
Net income attributable to common shareholders	\$ 4,781	\$ (199)	\$ 4,582	\$ 4,007	\$ 403	\$ 4,410
Net income attributable to common shareholders per share	\$ 0.04	\$ -	\$ 0.04	\$ 0.04	\$ 0.01	\$ 0.05
Cash flow from operations before non-recurring items ⁽¹⁾⁽²⁾	\$ 9,073	\$ 8,300	\$ 17,373	\$ 12,761	\$ 8,815	\$ 21,576
Cash flow from operations per share ⁽¹⁾⁽²⁾	\$ 0.08	\$ 0.08	\$ 0.16	\$ 0.13	\$ 0.10	\$ 0.23
Total assets	\$ 244,988	\$ 12,355	\$ 257,343	\$ 255,695	\$ 16,117	\$ 271,812
Weighted average shares outstanding, net	109,828,731		109,828,731	95,821,648		95,821,648

Notes:

(1) Refer to "Non-IFRS Measures" section for discussion of non-IFRS measures used in this table.

(2) IFRS net income attributable to common shareholders and cash flow from operations have been adjusted for non-recurring items. Refer to "EBITDA, Cash Flow from Operations and Net Income Attributable to Common Shareholders Before Non-Recurring Items Reconciliation".

(3) Gross profit for these purposes excludes depreciation and amortization.

Adjusted Operational Performance ⁽¹⁾

Management believes that including its share of revenues, expenses and cash flows of its joint venture operations in the Company's results provides a more comprehensive basis for reflecting and assessing the overall operations of the Company. Management bases its operating decisions and performance evaluation using the adjusted results ⁽¹⁾. The following discussion adjusts the Company's reported results under IFRS to include the revenues, expenses and cash flows of its joint ventures.

Adjusted consolidated EBITDA decreased to \$6.0 million for the quarter ended September 30, 2017 compared to \$7.7 million in the prior year. Decreases in adjusted EBITDA were mainly the result of weaker agriculture and energy markets in Canada, along with the struggling community media operations, which had an overall effect on Glacier's results.

Adjusted consolidated revenue was \$54.8 million for the quarter ended September 30, 2017 compared to \$58.4 million for the same period in the prior year. Revenue continues to be impacted by the maturing community media industry, along with the weak agriculture and energy markets.

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For the quarter ended September 30, 2017, adjusted net income attributable to common shareholders before non-recurring items increased to \$1.8 million from \$1.6 million for the same period in the prior year. Adjusted cash flow from operations before non-recurring items decreased to \$5.5 million from \$7.4 million for the same period in the prior year.

On an adjusted basis, Glacier's consolidated debt net of cash outstanding before deferred financing charges was 1.5x trailing 12-months adjusted EBITDA as at September 30, 2017.

The main factors affecting the comparability of the results for the year are detailed below under the IFRS Selected Financial Information.

Note:

(1) The adjusted consolidated financial results have been adjusted to include the Company's share of revenue, expenses, assets and liabilities from its joint venture operations on a proportionate accounting basis as this is the basis on which management bases its operating decisions and performance evaluation. IFRS does not allow for the inclusion of the joint ventures on a proportionate basis. These results include additional non-IFRS measures such as EBITDA, cash flow from operations and net income attributable to common shareholders before non-recurring items.

The adjusted results are not generally accepted measures of financial performance under IFRS. The Company's method of calculating these financial performance measures may differ from other companies and accordingly, they may not be comparable to measures used by other companies. Please refer to the **Reconciliation of IFRS to Adjusted Results** for a reconciliation of these non-IFRS measures and adjusted results. Management reports its results adjusted to include its share of its joint ventures in the MD&A under the heading **Adjusted Operational Performance**. Management reports its results adjusted to include its share of its joint ventures in the Report to Shareholders.

Second Quarter IFRS Results and Overview of Operating Performance

Selected Financial Information

The following outlines selected financial statistics and performance measures for Glacier, on an IFRS basis (other than the non-IFRS measures noted) for the periods ended September 30, 2017 and 2016:

<i>(thousands of dollars)</i> <i>except share and per share amounts</i>	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Revenue	\$ 46,402	\$ 49,603	\$ 142,481	\$ 149,952
Gross profit ⁽²⁾	\$ 12,528	\$ 14,195	\$ 40,777	\$ 43,969
Gross margin	27.0%	28.6%	28.6%	29.3%
EBITDA ⁽¹⁾	\$ 2,920	\$ 4,534	\$ 10,394	\$ 13,335
EBITDA margin ⁽¹⁾	6.3%	9.1%	7.3%	8.9%
EBITDA per share ⁽¹⁾	\$ 0.03	\$ 0.04	\$ 0.09	\$ 0.14
Interest expense, net	\$ 644	\$ 745	\$ 1,833	\$ 2,663
Net income attributable to common shareholders before non-recurring items ⁽¹⁾	\$ 1,860	\$ 1,563	\$ 6,374	\$ 6,337
Net income attributable to common shareholder before non-recurring items per share ⁽¹⁾	\$ 0.02	\$ 0.01	\$ 0.06	\$ 0.07
Net income attributable to common shareholders	\$ 1,043	\$ 1,784	\$ 4,781	\$ 4,007
Net income attributable to common shareholders per share	\$ 0.01	\$ 0.02	\$ 0.04	\$ 0.04
Cash flow from operations ⁽¹⁾	\$ 2,602	\$ 4,713	\$ 9,073	\$ 12,761
Cash flow from operations per share ⁽¹⁾	\$ 0.02	\$ 0.04	\$ 0.08	\$ 0.13
Capital expenditures	\$ 1,607	\$ 1,232	\$ 3,520	\$ 2,639
Total assets	\$ 244,988	\$ 255,695	\$ 244,988	\$ 255,695
Total non-current financial liabilities	\$ 43,419	\$ 52,852	\$ 43,419	\$ 52,852
Debt net of cash outstanding before deferred financing charges and other expenses	\$ 41,601	\$ 51,591	\$ 41,601	\$ 51,591
Equity attributable to common shareholders	\$ 138,014	\$ 131,986	\$ 138,014	\$ 131,986
Weighted average shares outstanding, net	109,828,731	109,152,243	109,828,731	95,821,648

Notes:

(1) Refer to "Non-IFRS Measures" and "EBITDA, Cash Flow from Operations and Net Income Attributable to Common Shareholders before Non-Recurring Items" section for calculation of non-IFRS measures used in this table.

(2) Gross profit for these purposes excludes depreciation and amortization.

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The main factors affecting the comparability of the results for the quarter include:

- Operating performance of the Company's various business units and general market conditions during the reported years;
- Decreased revenues due to the weaker community media industry, the cyclical nature of certain of Glacier's businesses, including the low price of oil and general softness in the agriculture industry;
- Fluctuations in restructuring expenses including severance payments, transaction and transition expenses;
- In September 2016, the sale of a community media operation for a non-cash gain of \$0.8 million; and
- The rights offering that was completed in July 2016 which raised proceeds of \$13.2 million, all of which was used to pay down debt. A total of 20,745,626 common shares were issued.

Revenue

Glacier's consolidated revenue for the period ended September 30, 2017 was \$46.4 million compared to \$49.6 million for the same period in the prior year.

Environmental, Property and Financial Information

The Environmental, Property and Financial Information group generated revenues of \$4.7 million for the period ended September 30, 2017, as compared to \$4.1 million for the same period in the prior year. ERIS continued to expand, experiencing revenue growth in both Canada and the U.S. REW.ca, the Company's online real estate portal, continued to grow rapidly in terms of site features, traffic and revenues.

Commodity Information

The Commodity Information group generated revenues of \$15.3 million for the period ended September 30, 2017, as compared to \$16.2 million for the same period in the prior year. Conditions in the agricultural sector remain soft with low commodity prices and increasing industry consolidation among key customers. Market conditions in the energy sector remain challenging, but appear to have stabilized in the oil sector, although natural gas prices remain weak. The mining market continues to show signs of recovery.

Community Media

The Community Media group generated \$26.4 million of revenue for the period ended September 30, 2017, as compared to \$29.3 million for the same period in the prior year. The revenue decline within the Community Media group was driven by the maturing nature of print advertising industry wide and the impact of continued weak commodity prices in many Western Canadian communities. Digital revenues experienced strong growth overall and across a number of product offerings including retargeting services, website builds and Chinese digital marketing solutions. Some of the general revenue declines were partially offset by ongoing operational efficiencies and the continued realization of savings from the restructurings.

Gross Profit

Glacier's consolidated gross profit, being revenues less direct expenses, for the period ended September 30, 2017 was \$12.5 million compared to \$14.2 million for the same period in the prior year. The decrease in gross profit is largely attributable to the decrease in revenues, which is partially offset by the related decrease in direct expenses and operational efficiencies from restructurings and continued cost management.

Gross profit as a percentage of revenues ("gross profit margin") for the period ended September 30, 2017 was 27.0% as compared to 28.6% for the same period in the prior year.

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were \$9.6 million for the period ended September 30, 2017 compared to \$9.7 million for the same period in the prior year. While the Company continues to focus on reducing administration costs, the Company also continues to invest in resources within operations experiencing growth and with growth potential.

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EBITDA

EBITDA was \$2.9 million for the period ended September 30, 2017 as compared to \$4.5 million for the same period in the prior year. The results are due to the various reasons stated under **Revenue, Gross Profit and General & Administrative Expenses**.

Net Interest Expense

Glacier's consolidated net interest expense for the period ended September 30, 2017 was \$0.6 million as compared to \$0.7 million for the same period in the prior year, a decrease of \$0.1 million. The decrease was primarily the result of debt repayments made throughout 2017 and 2016.

Depreciation and Amortization

Depreciation of property, plant and equipment for the period ended September 30, 2017 increased \$0.1 million. Amortization of intangible and other assets increased \$0.1 million as compared to the same period in the prior year mainly due to the addition of software and other intangible assets with short useful lives, which was partially offset by the reduction of the useful lives of certain other definite life intangible assets to more accurately reflect their remaining useful lives.

Restructuring and Other Expenses (Net)

Restructuring and other expenses (net) for the period ended September 30, 2017 were \$1.0 million compared to \$0.7 million for the same period in the prior year. These expenses include restructuring costs, foreign exchange, other income, other expenses and net gains or losses on disposal of assets. The current year includes additional severance expense relating to the restructuring of certain operations.

Share of Earnings from Joint Ventures and Associates

Share of earnings from joint ventures and associates, which include the Company's share of Fundata Canada Inc. ("Fundata"), Continental Newspapers Ltd. ("Continental"), Great West Newspapers Limited Partnership ("GWNLP"), the Victoria Times-Colonist, Rhode Island Suburban Newspapers, Inc. ("RISN") and other joint ventures and associates, increased \$0.4 million as compared to for the same period in the prior year.

Aggregate operating results for the Company's joint ventures and associates, at the Company's proportionate share of the results, are as follows:

(thousands of dollars)	As at	
	September 30, 2017	December 31, 2016
	\$	\$
Assets	77,843	91,912
Liabilities	18,326	32,316
Net assets	59,517	59,596
	For the three months ended	
	September 30, 2017	September 30, 2016
	\$	\$
Revenues	13,850	13,996
Net income for the year	2,899	2,517
Other comprehensive (loss) income	841	(115)

Net Income Attributable to Common Shareholders

Net income attributable to common shareholders decreased by \$0.7 million compared to the same period in the prior year. The decrease resulted from i) lower operating results of \$1.6 million, ii) higher depreciation and amortization of \$0.2 million, iii) lower net gain on disposal of \$0.8 million and iv) higher restructuring and other expenses (net) of \$0.3 million; which was partially offset by i) lower interest expenses (net) of \$0.1 million, ii) higher share of earnings from joint ventures and associates of \$0.4 million, iii) higher income tax recovery of \$0.6 million and iv) lower non-controlling interests of \$1.0 million.

Other Comprehensive Loss (net of tax)

For the period ended September 30, 2017, Glacier recognized other comprehensive loss (net of tax) of \$3.2 million. The majority of the loss related to the actuarial loss on defined benefit pension plans resulting from the change in actuarial assumptions, mainly the discount rate.

Cash Flow from Operations

Glacier's consolidated cash flow from operations was \$2.6 million (before changes in non-cash operating accounts and non-recurring items) for the period ended September 30, 2017 as compared to \$4.7 million the same period in the prior year. The change in cash flow from operations resulted from the factors stated under **Revenue, Gross Profit, General & Administrative Expenses** and **EBITDA**.

Capital expenditures were \$1.6 million for the period ended September 30, 2017 compared to \$1.2 million the same period in the prior year. The majority of the current year expenditures relate to software development, hardware costs and leasehold improvements. Prior year capital expenditures related program development, IT infrastructure, and other sustaining capital expenditures.

See "**Summary of Financial Position, Financial Requirements and Liquidity**" for further details.

Related Party Transactions

During the period ended September 30, 2017, the Company and its affiliates recorded administration, consulting, interest and other expenses of \$0.2 million from Madison Venture Corporation ("Madison") and its subsidiaries. Madison is a shareholder of the Company and certain of its officers and directors are officers and directors of the Company.

Madison provides strategic, financial, transactional advisory services and administrative services to the Company on an ongoing basis. These services have been provided with the intention of maintaining an efficient and cost effective corporate overhead structure, instead of i) hiring more full-time corporate and administrative staff and thereby increasing fixed overhead costs and ii) retaining outside professional advisory firms on a more extensive basis.

These services were provided in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties. In addition, Madison was required to be the guarantor of a loan relating to the acquisition of interests in certain community newspapers in 2007.

Contingency

During 2014-2017 an affiliate of the Company ("the affiliate") received, from the Canada Revenue Agency ("CRA") and provincial tax authorities, tax notices of reassessments and assessments relating to the taxation years 2008-2016. The notices deny the application of non-capital losses, capital losses, scientific research and experimental development ("SR&ED") pool deductions and SR&ED tax credits claimed. As a result additional taxes payable including interest and penalties are approximately \$54.8 million. The affiliate has filed notices of objection with the CRA and provincial taxing authorities and has paid the required deposits, which has been recorded in other assets.

The Company, the affiliate and its counsel believe that the filing positions adopted by the affiliate in all years are appropriate and in accordance with the law. The affiliate intends to vigorously defend such positions.

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Summary of Selected Quarterly IFRS Results

The following outlines the significant financial performance measures for Glacier for the last eight quarters:

<i>(thousands of dollars) except share and per share amounts</i>	Trailing 12 Months	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Revenue	\$ 191,321	\$ 46,402	\$ 49,019	\$ 47,060	\$ 48,840
EBITDA ⁽¹⁾	\$ 15,683	\$ 2,920	\$ 2,982	\$ 4,492	\$ 5,289
EBITDA margin ⁽¹⁾	8.2%	6.3%	6.1%	9.5%	10.8%
EBITDA per share ⁽¹⁾	\$ 0.14	\$ 0.03	\$ 0.03	\$ 0.04	\$ 0.05
Interest expense, net	\$ 2,889	\$ 644	\$ 588	\$ 601	\$ 1,056
Net income attributable to common shareholders before non-recurring items ⁽¹⁾	\$ 9,215	\$ 1,860	\$ 2,703	\$ 1,811	\$ 2,841
Net income attributable to common shareholders before non-recurring items per share ⁽¹⁾	\$ 0.08	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.03
Net income (loss) attributable to common shareholders	\$ 2,194	\$ 1,043	\$ 2,163	\$ 1,575	\$ (2,587)
Net income (loss) attributable to common shareholders per share	\$ 0.02	\$ 0.01	\$ 0.02	\$ 0.01	\$ (0.02)
Cash flow from operations ⁽¹⁾	\$ 13,229	\$ 2,602	\$ 2,548	\$ 3,923	\$ 4,156
Cash flow from operations per share ⁽¹⁾	\$ 0.12	\$ 0.02	\$ 0.02	\$ 0.04	\$ 0.04
Capital expenditures	\$ 5,355	\$ 1,607	\$ 1,034	\$ 879	\$ 1,835
Debt net of cash outstanding before deferred financing charges and other expenses	\$ 41,601	\$ 41,601	\$ 44,096	\$ 45,030	\$ 50,320
Equity attributable to common shareholders	\$ 138,014	\$ 138,014	\$ 133,881	\$ 135,718	\$ 133,351
Weighted average shares outstanding, net	109,828,731	109,828,731	109,828,731	109,828,731	109,828,731

	Trailing 12 Months	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Revenue	\$ 203,321	\$ 49,603	\$ 51,018	\$ 49,331	\$ 53,369
EBITDA ⁽¹⁾	\$ 19,173	\$ 4,534	\$ 3,933	\$ 4,868	\$ 5,838
EBITDA margin ⁽¹⁾	9.4%	9.1%	7.7%	9.9%	10.9%
EBITDA per share ⁽¹⁾	\$ 0.20	\$ 0.04	\$ 0.04	\$ 0.05	\$ 0.07
Interest expense, net	\$ 3,920	\$ 745	\$ 917	\$ 1,001	\$ 1,257
Net income attributable to common shareholders before non-recurring items ⁽¹⁾	\$ 12,611	\$ 1,563	\$ 3,429	\$ 1,345	\$ 6,274
Net income attributable to common shareholders before non-recurring items per share ⁽¹⁾	\$ 0.13	\$ 0.01	\$ 0.04	\$ 0.02	\$ 0.07
Net (loss) income attributable to common shareholders	\$ (144,642)	\$ 1,784	\$ 2,495	\$ (272)	\$ (148,649)
Net (loss) income attributable to common shareholders per share	\$ (1.54)	\$ 0.02	\$ 0.03	\$ 0.00	\$ (1.67)
Cash flow from operations ⁽¹⁾	\$ 17,728	\$ 4,713	\$ 3,682	\$ 4,366	\$ 4,967
Cash flow from operations per share ⁽¹⁾	\$ 0.19	\$ 0.04	\$ 0.04	\$ 0.05	\$ 0.06
Capital expenditures	\$ 2,776	\$ 1,232	\$ 819	\$ 588	\$ 137
Debt net of cash outstanding before deferred financing charges and other expenses	\$ 51,591	\$ 51,591	\$ 64,786	\$ 68,417	\$ 70,781
Equity attributable to common shareholders	\$ 131,986	\$ 131,986	\$ 115,586	\$ 115,972	\$ 116,727
Weighted average shares outstanding, net	94,127,806	109,152,243	89,083,105	89,083,105	89,083,105

Notes:

(1) Refer to "Non-IFRS Measures" and "EBITDA, Cash Flow from Operations Reconciliation and Net Income Attributable to Common Shareholders Before Non-Recurring Items" section for calculation of non-IFRS measures used in this table.

The main factors affecting comparability of results over the last eight quarters are:

- Operating performance of the Company's various business units, including cost-reduction initiatives and general market conditions during the reported periods;
- Decreased revenues during the reported periods due to the structural changes in the community media industry and the cyclical nature of certain of Glacier's businesses, including softness in the energy and mining sectors;
- In the second quarter of 2017, the Company purchased an additional 5% ownership interest in Weather INnovations for a cash purchase price of \$0.3 million;
- In the first quarter of 2017, the Company sold land and buildings in BC for net proceeds of \$2.2 million. The Company recognized a \$0.2 million gain on sale;
- An overall impairment charge of \$5.9 million in the fourth quarter of 2016 and \$194.0 million in fourth quarter of 2015;

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- In September 2016, the sale of a community media operation for a non-cash gain of \$0.8 million;
- The rights offering that was completed in July 2016 which raised proceeds of \$13.2 million, all of which was used to pay down debt. A total of 20,745,626 common shares were issued;
- In the second quarter of 2016, the Company purchased the remaining ownership interest in Evaluate Energy for a purchase price of \$1.0 million. The Company's ownership interest increased from 60% to 100%;
- In the second quarter of 2016, the Company sold land and building property in Chilliwack for net proceeds of \$0.6 million. The Company recognized a \$0.1 million gain on sale.
- The Company recognized a settlement gain on pension and post-retirement benefits of \$1.6 million in the fourth quarter of 2015;
- The sale of a package of real estate assets for \$4.8 million in the fourth quarter of 2015. \$2.7 million was generated through a sale lease-back transaction; and
- Decreased revenues and expenses, and quarterly fluctuations in restructuring expenses, primarily due to the restructuring of certain community media operations in Northern B.C. throughout 2016.

EBITDA, Cash Flow from Operations and Net Income Attributable to Common Shareholders before Non-Recurring Items Reconciliation

The following tables reconcile the Company's net income attributable to common shareholders as reported under IFRS to EBITDA, cash flow from operations and net income attributable to common shareholders before non-recurring items.

<i>(thousands of dollars) except share and per share amounts</i>	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
EBITDA ⁽¹⁾				
Net income attributable to common shareholders	\$ 1,043	\$ 1,784	\$ 4,781	\$ 4,007
Add (deduct):				
Non-controlling interests	\$ 274	\$ 1,277	\$ 1,050	\$ 2,311
Net interest expense	\$ 644	\$ 745	\$ 1,833	\$ 2,663
Depreciation of property, plant and equipment	\$ 1,073	\$ 1,018	\$ 3,115	\$ 3,119
Amortization of intangible assets	\$ 1,976	\$ 1,909	\$ 5,876	\$ 4,743
Net gain on disposal	\$ -	\$ (814)	\$ -	\$ (814)
Restructuring and other expenses (net)	\$ 1,047	\$ 742	\$ 2,157	\$ 3,986
Share of earnings from joint ventures and associates	\$ (2,799)	\$ (2,417)	\$ (7,220)	\$ (6,220)
Income tax recovery	\$ (338)	\$ 290	\$ (1,198)	\$ (460)
EBITDA ⁽¹⁾	\$ 2,920	\$ 4,534	\$ 10,394	\$ 13,335
Cash flow from operations ⁽¹⁾				
Net income attributable to common shareholders	\$ 1,043	\$ 1,784	\$ 4,781	\$ 4,007
Add (deduct):				
Non-controlling interests	\$ 274	\$ 1,277	\$ 1,050	\$ 2,311
Depreciation of property, plant and equipment	\$ 1,073	\$ 1,018	\$ 3,115	\$ 3,119
Amortization of intangible assets	\$ 1,976	\$ 1,909	\$ 5,876	\$ 4,743
Net gain on disposal	\$ -	\$ (814)	\$ -	\$ (814)
Employee future benefit expense less than employer contributions	\$ (213)	\$ (182)	\$ (568)	\$ (149)
Deferred income tax recovery	\$ (282)	\$ 285	\$ (990)	\$ (822)
Interest expense	\$ 650	\$ 800	\$ 1,852	\$ 2,743
Share of earnings from joint ventures and associates	\$ (2,799)	\$ (2,417)	\$ (7,220)	\$ (6,220)
Other non-cash items	\$ 96	\$ (149)	\$ (44)	\$ 1,728
Add (deduct) non-recurring items:				
Net gain on disposal	\$ -	\$ -	\$ (245)	\$ -
Restructuring costs (net of tax)	\$ 778	\$ 946	\$ 1,385	\$ 1,190
Transaction and transition costs (net of tax)	\$ 6	\$ 256	\$ 81	\$ 925
Cash flow from operations ⁽¹⁾	\$ 2,602	\$ 4,713	\$ 9,073	\$ 12,761

Notes:

⁽¹⁾ Refer to "Non-IFRS Measures" section for discussion of non-IFRS measures used in this table.

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(thousands of dollars) except share and per share amounts	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Net income attributable to common shareholders before non-recurring items ⁽¹⁾				
Net income attributable to common shareholders	\$ 1,043	\$ 1,784	\$ 4,781	\$ 4,007
Add (deduct) non-recurring items:				
Net gain on disposal	\$ -	\$ (815)	\$ (245)	\$ (827)
Restructuring costs (net of tax)	\$ 811	\$ 338	\$ 1,757	\$ 2,232
Transaction and transition costs (net of tax)	\$ 6	\$ 256	\$ 81	\$ 925
Net income attributable to common shareholders before non-recurring items ⁽¹⁾	\$ 1,860	\$ 1,563	\$ 6,374	\$ 6,337
Weighted average shares outstanding, net	109,828,731	109,152,243	109,828,731	95,821,648
Net income attributable to common shareholders per share	\$ 0.01	\$ 0.02	\$ 0.04	\$ 0.04
EBITDA per share ⁽¹⁾	\$ 0.03	\$ 0.04	\$ 0.09	\$ 0.14
Cash flow from operations before non-recurring items per share ⁽¹⁾	\$ 0.02	\$ 0.04	\$ 0.08	\$ 0.13
Net income attributable to common shareholders before non-recurring items per share ⁽¹⁾	\$ 0.02	\$ 0.01	\$ 0.06	\$ 0.07

Notes:

⁽¹⁾ Refer to "Non-IFRS Measures" section for discussion of non-IFRS measures used in this table.

Summary of Financial Position, Financial Requirements and Liquidity

Glacier generates sufficient cash flow from operations to meet anticipated working capital, capital expenditures, and debt service requirements.

As at September 30, 2017, Glacier had consolidated cash and cash equivalents of \$4.8 million, current and long-term debt of \$46.4 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of \$13.8 million excluding deferred revenue. Glacier's actual cash working capital is greater than reflected by the amounts indicated on the consolidated balance sheet due to deferred revenue relating to renewals and newspaper subscriptions that have been paid for by subscribers but not yet delivered; and the costs associated with the fulfillment of this liability are less than the amount indicated in current liabilities.

Capital expenditures were \$1.6 million for the period ended September 30, 2017 compared to \$1.2 million the same period in the prior year. The majority of the current year expenditures relate to software development, hardware costs and leasehold improvements. Prior year capital expenditures related program development, IT infrastructure, and other sustaining capital expenditures.

Changes in Financial Position

(thousands of dollars)	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Cash generated from (used in)				
Operating activities	4,325	1,977	9,235	9,123
Investing activities	(1,041)	(1,081)	2,095	1,633
Financing activities	(2,012)	(1,486)	(10,172)	(10,447)
(Decrease) increase in cash	1,272	(590)	1,158	309

The changes in the components of cash flows during 2017 and 2016 are detailed in the consolidated statements of cash flows of the financial statements. The more significant changes are discussed below.

Operating Activities

Glacier generated cash from operations before non-recurring items and changes in non-cash operating accounts of \$2.6 million compared to \$4.7 million for the same period in the prior year as a result of the factors stated under **Revenue, Gross Profit, General & Administrative Expenses** and **EBITDA**. Cash

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flows from operations before non-recurring items and after change in non-cash working capital was \$5.1 million compared to \$3.2 million for the same period in the prior year.

Investing Activities

Cash used in investing activities totalled \$1.0 million for the period ended September 30, 2017 compared to \$1.1 million for the same period in the prior year. Investing activities included \$1.6 million of capital expenditures, distributions received of \$2.1 million, deposits paid of \$0.7 million, cash acquisitions of \$0.1 million and cash used in other investing activities of \$0.8 million.

Financing Activities

Cash used for financing activities was \$2.0 million for the period ended September 30, 2017 compared to \$1.5 million for the same period in the prior year. The Company made net debt repayments of \$1.2 million for the period ended September 30, 2017 compared to \$13.8 million in the same period in the prior year. The prior year debt repayment included \$13.2 million from the net proceeds from the rights offering. In the period ended September 30, 2017, the Company distributed \$0.2 million to its non-controlling interests and paid \$0.6 million in interest.

Outstanding Share Data

As at September 30, 2017 and November 10, 2017, there were 109,828,731 common shares and 1,115,000 share purchase warrants outstanding.

The warrants outstanding allow the holder to purchase one common share per warrant at \$4.48 per share. The warrants expire on June 28, 2019, unless extended.

Contractual Agreements

As at September 30, 2017, the Company has agreements with a syndicate of major Canadian banks whereby the lenders provide a revolving loan facility with no required principal repayments during its term. The lenders also provide a term loan facility which requires annual principal payments of \$1.0 million, paid quarterly.

The Company has additional long-term debt with a major international bank which is held by Alta Newspaper Group Limited Partnership and is non-recourse to the Company.

The Company has entered into operating leases for premises and office equipment, which expire on various dates up to 2026.

In summary, the Company's contractual obligations due over the next five calendar years are as follows:

(thousands of dollars)	Total	2017	2018	2019	2020	2021	Thereafter
	\$	\$	\$	\$	\$	\$	\$
Long-term debt	46,174	1,232	42,599	1,948	93	98	204
Operating leases	17,256	1,267	4,712	3,360	3,070	2,511	2,336
	63,430	2,499	47,311	5,308	3,163	2,609	2,540

The Company intends to renegotiate the debt facility before maturity.

Under various financing arrangements with its banks, the Company, its subsidiaries, and its affiliates are required to meet certain covenants. The Company, its subsidiaries, and its affiliates were fully in compliance with these covenants at September 30, 2017 and 2016.

Financial Instruments

The Company's activities result in exposure to a variety of financial risks, including risks relating to foreign exchange, credit, interest rate, and liquidity risk.

A small portion of the Company's products are sold at prices denominated in U.S. dollars while the majority of its operational costs and expenses are incurred in Canadian dollars. An increase in the value of the Canadian

dollar relative to the U.S. dollar reduces the revenue in Canadian dollar terms realized by the Company from sales made in U.S. dollars.

The Company also has foreign operations in the United States and the United Kingdom, whose earnings are exposed to foreign exchange risk.

The Company sells its products and services to a variety of customers under various payment terms and therefore is exposed to credit risks from its trade receivables from customers. The Company has adopted policies and procedures designed to limit these risks. The carrying amounts for trade receivables are net of applicable allowances for doubtful accounts, which are estimated based on past experience, specific risks associated with the customer and other relevant information. The Company is protected against any concentration of credit risk through its products, broad clientele and geographic diversity.

The Company's interest rate risk mainly arises from the interest rate impact on cash and floating rate debt. The Company actively manages its interest rate risk through ongoing monitoring of market interest rates and the overall economic situation.

The Company is exposed to liquidity risk with respect to trade payables, long-term debt, derivatives and contractual obligations. The Company manages liquidity by maintaining adequate cash balances and by having appropriate lines of credit available. In addition, the Company continuously monitors and reviews both actual and forecasted cash flows. Management believes that future cash flows from operations and the availability under existing banking arrangements will be adequate to support its financial liabilities.

The carrying value of certain financial instruments maturing in the short-term approximates their fair value. These financial instruments include cash and cash equivalents, trade and other receivables, trade payables and other current liabilities. The fair value of the other financial instruments is determined essentially by discounting cash flows or quoted market prices. The fair values calculated approximate the amounts for which the financial instruments could be settled between consenting parties, based on current market data for similar instruments. Consequently, as estimates must be used to determine fair value, they must not be interpreted as being realizable in the event of an immediate settlement of the instruments. For fair value estimates relating to derivatives and available-for-sale securities, the Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements. The fair value of all of the Company's available for sale financial instruments was determined using quoted prices in active markets.

Business Environment and Risks

A comprehensive discussion of Risks and Uncertainties was included in the 2016 Annual Report and can be found on SEDAR. The discussion is applicable for the period ended September 30, 2017.

Disclosure Controls and Internal Controls over Financial Reporting

The Company has established disclosure controls and procedures to ensure that the information disclosed in this MD&A and the related financial statements was properly recorded, processed, summarized and reported to the Audit Committee and the Board.

The Company did not make any changes to its internal controls over financial reporting ("ICFR") during the most recent period ended September 30, 2017 which materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Future Accounting Policies

In May 2014, the International Accounting Standards Board and the Financial Accounting Standards Board completed its joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and United States Generally Accepted Accounting Principles. As a result of the joint project, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

IFRS 15 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company expects the application of IFRS 15 will affect the financial statements, especially with regards to the timing of revenue recognition and treatment of costs incurred in acquiring customer contracts.

In July 2014, the IASB issued IFRS 9, Financial Instruments, which addresses classification and measurement of financial assets and replaces the multiple category and measurement models for debt instruments in IAS 39, Financial Instruments: Recognition and Measurement. Debt instruments will be measured with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. The new standard also addresses financial liabilities which largely carries forward existing requirements in IAS 39, with the exception of fair value changes to credit risk for liabilities designated at fair value through profit and loss which are generally to be recorded in other comprehensive income. In addition, the new standard introduces a new hedge accounting model more closely aligned with risk management activities undertaken by entities.

The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is still in the process of assessing the impact, if any, on the financial statements of this new standard.

In January 2016, the IASB issued IFRS 16, Leases, which supersedes IAS 17, Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor"). IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted, but only if the Company also applies IFRS 15 Revenues from Contracts with Customers.

The most significant impacts of IFRS 16 includes the lessee's recognition of the initial present value of future lease payments as lease assets and lease liabilities on the statement of financial position, except for those leases that meet a limited exception criteria. The presentation on the statement of operations and other comprehensive income will be affected by the new standard and will result in lease expenses being presented as depreciation and finance expenses. Net income is likely to be effected as the timing of expenses is accelerated when applying the new standard which uses a finance lease model compared to straight line recognition.

The Company is still in the process of assessing the impact, if any, on the financial statements of this new standard.

Critical Accounting Estimates

The preparation of the annual consolidated financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts recorded in the consolidated financial statements. Management regularly reviews these estimates, including those related to useful lives for depreciation and amortization, impairment of long-lived assets, certain trade receivables, pension and other employee future benefit plans based on currently available information. While it is reasonably possible that circumstances may arise which cause actual results to differ from these estimates, management does not believe it is likely that any such differences will materially affect Glacier's financial position.