***2018 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 9, 2018.

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 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, debt service risk and cybersecurity 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, 2018 and should be read in conjunction with the Company's annual consolidated financial statements and notes thereto as at and for the year ended December 31, 2017. 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, 2017 and related MD&A which can be obtained on the 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 | • Environmental Risk Information Services ("ERIS"), Specialty Technical Publishers ("STP") and REW.ca |
| Financial Information | • Fundata (50% interest) |

*Commodities 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 |

*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) |

Additional information on Glacier's operations is included in the Company's Annual Information Form as filed on SEDAR (www.sedar.com).

**Significant Developments in 2018 and Outlook**

Glacier Media Inc.'s ("Glacier" or the "Company") results for the quarter reflected the continued progress being made in the key business information growth initiatives as well as the evolution of the community media business.

The combined performance resulted in overall revenue growth for the Company, with sufficient revenues being generated from the growth areas to offset expected print revenue declines.

It is important to note that Glacier's growth products and services have higher margins and command higher business valuations than its print products, so the Company can grow overall profit and value with lower consolidated revenues. The overall growth in revenue for the quarter is all the more significant in this light.

Glacier's adjusted(1) consolidated revenue grew, while some of this growth was due to the acquisition of the remaining interest in Infomine. Glacier's adjusted(1) consolidated EBITDA declined due to increased investments made in some of the key strategic initiatives, including the REW real estate portal, ERIS expansion in the U.S., ag show expansion, mining data and intelligence information products, and new digital community media products.

These investments are being made to take advantage of current opportunities that exist in the Company's markets that require timely action to be taken. The growth in revenues being achieved, and the demand for the Company's products this reflects, underscores the fact that the investments are working and value is being created.

The Environmental, Property and Financial group's revenue grew significantly. In particular, ERIS and REW continued to make significant progress in terms of product developments and market expansion activities that are addressing customer demands and generating new revenue.

Excluding the infomine acquisition, the commodities group's revenue grew despite the slowing in the mining sector. The agricultural information group held two exhibition shows during the quarter that were operationally and financially successful.

Digital community media revenues grew double digits for the quarter with strong profitability. Significant progress continues to be made in the Company's portfolio of digital products and marketing solutions offerings.

The Company is at an attractive juncture where it has meaningful growth opportunities in each of its sectors with which to create significant value, and is achieving market traction in each one. The balance of effort and strategic focus is working. The progress being made is translating into actual product delivery, customer satisfaction and revenue generation.

While the mining market has slowed somewhat and energy remains soft, revenue opportunities exist to grow revenues in a variety of areas including data and information subscription products as well as shows and events. The agriculture market is stable and Glacier FarmMedia continues to have a variety of growth opportunities to pursue. The commercial and residential real estate markets continue to offer opportunity for ERIS and REW. While some of the Company's markets are experiencing slowdowns in residential real estate activity, softer real estate markets often represent a greater need for realtor and developer advertising, depending on the level of slowdown.

Print advertising declines are expected to continue in community media. As stated, digital revenue and profits are growing significantly and are providing a greater level of offset to the print revenue declines. It now appears possible to preserve and potentially grow the value of the community media business with lower revenue but a more valuable digital business.

As outlined, the Company plans to continue to invest in its key strategic areas. The investments are critical to the Company's growth plan and are resulting in demonstrable value creation. Given the uncertain North American and global economic conditions that exist and the stage of transformation some of the Company's businesses are in, the Company will operate cautiously, but believes continued investment is necessary for long-term value creation. Cost efficiency opportunities continue to be pursued where possible to help manage profitability while investment is being made.

Management intends to build on the progress of the last few years in strengthening the Company's financial position by further reducing debt. A strengthened balance sheet will mitigate risk while allowing the ongoing and planned operational and capital investments.

## 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) | **Three months ended September 30, 2018** | | | **Three months ended September 30, 2017** | | |
|---|---|---|---|---|---|---|
| except share and per share amounts | **Per IFRS** | **Differential** | **Adjusted (1)** | Per IFRS | Differential | Adjusted (1) |
| Revenue | $ 48,717 | $ 8,197 | $ 56,914 | $ 46,402 | $ 8,364 | $ 54,766 |
| Gross profit (3) | $ 11,995 | $ 3,987 | $ 15,982 | $ 12,528 | $ 4,348 | $ 16,876 |
| Gross margin | 24.6% | | 28.1% | 27.0% | | 30.8% |
| EBITDA (1)(2) | $ 1,694 | $ 2,698 | $ 4,392 | $ 2,920 | $ 3,068 | $ 5,988 |
| EBITDA margin (1) | 3.5% | | 7.7% | 6.3% | | 10.9% |
| EBITDA per share (1)(2) | $ 0.02 | $ 0.02 | $ 0.04 | $ 0.03 | $ 0.02 | $ 0.05 |
| Net (loss) income attributable to common shareholders before non-recurring items (1)(2) | $ (1,222) | $ (87) | $ (1,309) | $ 1,860 | $ (38) | $ 1,822 |
| Net income attributable to common shareholders before non-recurring items per share (1)(2) | $ (0.01) | $ - | $ (0.01) | $ 0.02 | $ - | $ 0.02 |
| Net (loss) income attributable to common shareholders | $ (5,096) | $ (87) | $ (5,183) | $ 1,043 | $ (40) | $ 1,003 |
| Net (loss) income attributable to common shareholders per share | $ (0.05) | $ - | $ (0.05) | $ 0.01 | $ - | $ 0.01 |
| Cash flow from operations before non-recurring items (1)(2) | $ 1,206 | $ 2,119 | $ 3,325 | $ 2,602 | $ 2,897 | $ 5,499 |
| Cash flow from operations per share (1)(2) | $ 0.01 | $ 0.02 | $ 0.03 | $ 0.02 | $ 0.03 | $ 0.05 |
| Weighted average shares outstanding, net | 109,828,731 | | 109,828,731 | 109,828,731 | | 109,828,731 |

| (thousands of dollars) | **Nine months ended September 30, 2018** | | | **Nine months ended September 30, 2017** | | |
|---|---|---|---|---|---|---|
| except share and per share amounts | **Per IFRS** | **Differential** | **Adjusted (1)** | Per IFRS | Differential | Adjusted (1) |
| Revenue | $ 139,803 | $ 24,972 | $ 164,775 | $ 142,481 | $ 25,908 | $ 168,389 |
| Gross profit (3) | $ 37,778 | $ 12,419 | $ 50,197 | $ 40,777 | $ 13,204 | $ 53,981 |
| Gross margin | 27.0% | | 30.5% | 28.6% | | 32.1% |
| EBITDA (1)(2) | $ 6,940 | $ 8,476 | $ 15,416 | $ 10,394 | $ 9,111 | $ 19,505 |
| EBITDA margin (1) | 5.0% | | 9.4% | 7.3% | | 11.6% |
| EBITDA per share (1)(2) | $ 0.06 | $ 0.08 | $ 0.14 | $ 0.09 | $ 0.09 | $ 0.18 |
| Net (loss) income attributable to common shareholders before non-recurring items (1)(2) | $ 405 | $ (243) | $ 162 | $ 6,374 | $ (198) | $ 6,176 |
| Net (loss) income attributable to common shareholders before non-recurring items per share (1)(2) | $ 0.00 | $ - | $ 0.00 | $ 0.06 | $ - | $ 0.06 |
| Net income attributable to common shareholders | $ (205) | $ (242) | $ (447) | $ 4,781 | $ (199) | $ 4,582 |
| Net income attributable to common shareholders per share | $ 0.00 | $ - | $ 0.00 | $ 0.04 | $ - | $ 0.04 |
| Cash flow from operations before non-recurring items (1)(2) | $ 5,497 | $ 7,091 | $ 12,588 | $ 9,073 | $ 8,300 | $ 17,373 |
| Cash flow from operations per share (1)(2) | $ 0.05 | $ 0.06 | $ 0.11 | $ 0.08 | $ 0.08 | $ 0.16 |
| Weighted average shares outstanding, net | 109,828,731 | | 109,828,731 | 109,828,731 | | 109,828,731 |

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 $4.4 million for the quarter ended September 30, 2018 compared to $6.0 million in the prior year. Decreases in adjusted EBITDA were due to declines in community media operations, along with operational investments in the commodities information group, which had an overall effect on Glacier's results.

Adjusted consolidated revenue was $56.9 million for the quarter ended September 30, 2018 compared to $54.8 million in the prior year. Revenue growth was driven by the growth in the environmental, property and financial information and the commodities groups as well as recent acquisitions. However, revenue continues to be impacted by the mature community media industry.

For the quarter ended September 30, 2018, adjusted net loss attributable to common shareholders before non-recurring items was $1.3 million as compared to income of $1.8 million in the prior year. Adjusted cash flow from operations before non-recurring items decreased to $3.3 million from $5.5 million in the prior year.

On an adjusted basis, Glacier's consolidated debt net of cash outstanding before deferred financing charges was 1.6x trailing 12-months adjusted EBITDA as at September 30, 2018.

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.

## Third 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, 2018 and 2017:

| *(thousands of dollars)* *except share and per share amounts* | Three months ended September 30, 2018 | Three months ended September 30, 2017 | Nine months ended September 30, 2018 | Nine months ended September 30, 2017 |
|---|---|---|---|---|
| Revenue | $ 48,717 | $ 46,402 | $ 139,803 | $ 142,481 |
| Gross profit [2] | $ 11,995 | $ 12,528 | $ 37,778 | $ 40,777 |
| Gross margin | 24.6% | 27.0% | 27.0% | 28.6% |
| EBITDA [1] | $ 1,694 | $ 2,920 | $ 6,940 | $ 10,394 |
| EBITDA margin [1] | 3.5% | 6.3% | 5.0% | 7.3% |
| EBITDA per share [1] | $ 0.02 | $ 0.03 | $ 0.06 | $ 0.09 |
| Interest expense, net | $ 616 | $ 644 | $ 1,763 | $ 1,833 |
| Net (loss) income attributable to common shareholders before non-recurring items [1] | $ (1,222) | $ 1,860 | $ 405 | $ 6,374 |
| Net (loss) income attributable to common shareholder before non-recurring items per share [1] | $ (0.01) | $ 0.02 | $ 0.00 | $ 0.06 |
| Net (loss) income attributable to common shareholders | $ (5,096) | $ 1,043 | $ (205) | $ 4,781 |
| Net (loss) income attributable to common shareholders per share | $ (0.05) | $ 0.01 | $ 0.00 | $ 0.04 |
| Cash flow from operations [1] | $ 1,206 | $ 2,602 | $ 5,497 | $ 9,073 |
| Cash flow from operations per share [1] | $ 0.01 | $ 0.02 | $ 0.05 | $ 0.08 |
| Capital expenditures | $ 2,182 | $ 1,607 | $ 5,532 | $ 3,520 |
| Total assets | $ 241,168 | $ 244,988 | $ 241,168 | $ 244,988 |
| Total non-current financial liabilities | $ 42,490 | $ 43,419 | $ 42,490 | $ 43,419 |
| Debt net of cash outstanding before deferred financing charges and other expenses | $ 39,301 | $ 41,601 | $ 39,301 | $ 41,601 |
| Equity attributable to common shareholders | $ 134,177 | $ 138,014 | $ 134,177 | $ 138,014 |
| Weighted average shares outstanding, net | 109,828,731 | 109,828,731 | 109,828,731 | 109,828,731 |

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.

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;
- Increase in revenues due to growth in the environmental, property and financial information and the commodities group. However, revenues continue to be impacted by 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, and other amounts related to the closure and sale of certain community media assets;

### Revenue

Glacier’s consolidated revenue for the period ended September 30, 2018 was $48.7 million compared to $46.4 million in the prior year.

*Environmental, Property and Financial Information*

The Environmental, Property and Financial Information group generated revenues of $5.5 million for the period ended September 30, 2018, as compared to $4.7 million in the prior year. ERIS continued to expand, experiencing revenue growth in both U.S. and the Canada. REW.ca, the Company’s online real estate portal, continued to grow rapidly in terms of site features, traffic and revenues.

*Commodities Information*

The Commodities Information group generated revenues of $17.5 million for the period ended September 30, 2018, as compared to $15.3 million in the prior year. The increase in revenue was partially attributable to recent acquisitions. In addition, conditions in the agricultural markets have stabilized. The Company continued to invest in its agricultural information operations in key growth areas such as outdoor exhibitions and online listings. Market conditions in the energy sector 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 $25.7 million of revenue for the period ended September 30, 2018, as compared to $26.4 million in the prior year. The revenue decline within the Community Media group was driven by the maturing nature of the print advertising industry. 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, 2018 was $12.0 million compared to $12.5 million in the prior year. The decrease in gross profit is largely attributable to the increase in direct expenses and operational investments in strategic areas.

Gross profit as a percentage of revenues ("gross profit margin") for the period ended September 30, 2018 was 24.6% as compared to 27.0% for the same period in the prior year.

**General & Administrative Expenses**

Glacier's consolidated general and administrative expenses were $10.3 million for the period ended September 30, 2018 compared to $9.6 million in the prior year. While the Company continues to focus on reducing administration costs in its general operations, the Company continues to invest in its administration and infrastructure to support its growth opportunities and digital products.

**EBITDA**

EBITDA was $1.7 million for the period ended September 30, 2018 as compared to $2.9 million 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, 2018 was $0.6 million as compared to $0.6 million in the prior year.

**Depreciation and Amortization**

Depreciation of property, plant and equipment for the period ended September 30, 2018 decreased $0.2 million as compared to the prior year. Amortization of intangible and other assets remained consistent as compared the prior year.

**Restructuring and Other Expenses (Net)**

Restructuring and other expenses (net) for the period ended September 30, 2018 were $1.3 million compared to $1.0 million in the prior year. These expenses include restructuring costs, foreign exchange, severance expense, other income, and other expenses.

**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"), Village Media Inc. ("Village") and other joint ventures and associates, decreased $2.5 million as compared to 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:

| | **As at** | |
|---|---|---|
| (thousands of dollars) | **September 30, 2018** | December 31, 2017 |
| | **$** | $ |
| Assets | **77,128** | 82,392 |
| Liabilities | **18,978** | 21,976 |
| Net assets | **58,150** | 60,415 |
| | **For the three months ended** | |
| | **September 30, 2018** | September 30, 2017 |
| | **$** | $ |
| Revenues | **11,692** | 13,850 |
| Net income for the year | **429** | 2,899 |
| Other comprehensive (loss) income | **342** | 841 |

**Net Income Attributable to Common Shareholders**

Net income attributable to common shareholders decreased by $6.1 million compared to the same period in the prior year. The decrease from i) lower operational results of $1.2 million, ii) higher restructuring expenses of $0.3 million, iii) lower share of earnings from joint ventures and associate of $2.5 million, and iv) higher income tax expenses of $2.5 million. This was partially offset by i) lower depreciation and amortization expense of $0.2 million, and ii) lower non-controlling interest of $0.2 million.

**Other Comprehensive Income (net of tax)**

For the period ended September 30, 2018, Glacier recognized other comprehensive loss (net of tax) of $3.9 million. The majority of the income related to the actuarial gain 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 $1.2 million (before changes in non-cash operating accounts and non-recurring items) for the period ended September 30, 2018 as compared to $2.6 million 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 $2.2 million for the period ended September 30, 2018 compared to $1.6 million in the prior year. The majority of the current year expenditures relate to software development, hardware costs, leasehold improvements, infrastructures for the agricultural shows, customer list and mastheads. Prior year capital expenditures related to software 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, 2018, 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 $55.8 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.

**Summary of Selected Quarterly IFRS Results**

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

| *(thousands of dollars) except share and per share amounts* | Trailing 12 Months | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 |
|---|---|---|---|---|---|
| Revenue | $ 188,493 | $ 48,717 | $ 46,228 | $ 44,858 | $ 48,690 |
| EBITDA [1] | $ 13,041 | $ 1,694 | $ 1,499 | $ 3,747 | $ 6,101 |
| EBITDA margin [1] | 6.9% | 3.5% | 3.2% | 8.4% | 12.5% |
| EBITDA per share [1] | $ 0.12 | $ 0.02 | $ 0.01 | $ 0.03 | $ 0.06 |
| Interest expense, net | $ 2,538 | $ 616 | $ 575 | $ 572 | $ 775 |
| Net income attributable to common shareholders before non-recurring items [1] | $ 4,167 | $ (1,222) | $ 108 | $ 1,520 | $ 3,761 |
| Net income attributable to common shareholders before non-recurring items per share [1] | $ 0.04 | $ (0.01) | $ 0.00 | $ 0.01 | $ 0.03 |
| Net (loss) income attributable to common shareholders | $ (6,149) | $ (5,096) | $ 4,939 | $ (48) | $ (5,944) |
| Net (loss) income attributable to common shareholders per share | $ (0.06) | $ (0.05) | $ 0.04 | $ 0.00 | $ (0.05) |
| Cash flow from operations [1] | $ 10,762 | $ 1,206 | $ 1,099 | $ 3,192 | $ 5,265 |
| Cash flow from operations per share [1] | $ 0.10 | $ 0.01 | $ 0.01 | $ 0.03 | $ 0.05 |
| Capital expenditures | $ 7,139 | $ 2,182 | $ 1,929 | $ 1,421 | $ 1,607 |
| Debt net of cash outstanding before deferred financing charges and other expenses | $ 39,301 | $ 39,301 | $ 39,159 | $ 38,984 | $ 40,256 |
| Equity attributable to common shareholders | $ 134,177 | $ 134,177 | $ 138,212 | $ 132,037 | $ 132,653 |
| Weighted average shares outstanding, net | 109,828,731 | 109,828,731 | 109,828,731 | 109,828,731 | 109,828,731 |

| | 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] | $ 0.16 | $ 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] | $ 0.09 | $ 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] | $ 0.13 | $ 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 | 99,342,554 | 109,828,731 | 109,828,731 | 109,828,731 | 109,152,243 |

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, the cyclical nature of certain of Glacier's businesses, including softness in the energy and mining sectors, as well as the sale of COSSD which was published by the Company last June;
- In April 2018, the Company acquired the remaining 50% of Infomine for $3.6 million and a gain on acquisition of $2.7 million. In the third quarter, the Company reviewed and updated the original purchase price accounting to include deferred asset as part of the original assets acquired, thereby reducing goodwill and deferred tax recovery by $3.0 million.
- In June 2018, the Company made a one-time accounting adjustment. The adjustment is to primarily defer revenue and subscription contracts in process to change the recognition methodology to the term of the contracts. This adjustment reduced revenue and EBITDA by $0.9 million and $1.1 million respectively;

- 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 $0.3 million gain on sale.

**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.

| *(thousands of dollars)* *except share and per share amounts* | Three months ended September 30, 2018 | Three months ended September 30, 2017 | Nine months ended September 30, 2018 | Nine months ended September 30, 2017 |
|---|---|---|---|---|
| **EBITDA** [1] | | | | |
| Net (loss) income attributable to common shareholders | **$ (5,096)** | $ 1,043 | **$ (205)** | $ 4,781 |
| Add (deduct): | | | | |
| Non-controlling interests | **$ 101** | $ 274 | **$ 776** | $ 1,050 |
| Net interest expense | **$ 616** | $ 644 | **$ 1,763** | $ 1,833 |
| Depreciation of property, plant and equipment | **$ 896** | $ 1,073 | **$ 2,699** | $ 3,115 |
| Amortization of intangible assets | **$ 1,988** | $ 1,976 | **$ 5,811** | $ 5,876 |
| Net gain on acquisition | **$ -** | $ - | **$ (2,653)** | $ - |
| Restructuring and other expenses (net) | **$ 1,333** | $ 1,047 | **$ 4,449** | $ 2,157 |
| Share of earnings from joint ventures and associates | **$ (304)** | $ (2,799) | **$ (3,750)** | $ (7,220) |
| Income tax expense (recovery) | **$ 2,160** | $ (338) | **$ (1,950)** | $ (1,198) |
| **EBITDA** [1] | **$ 1,694** | $ 2,920 | **$ 6,940** | $ 10,394 |
| **Cash flow from operations** [1] | | | | |
| Net (loss) income attributable to common shareholders | **$ (5,096)** | $ 1,043 | **$ (205)** | $ 4,781 |
| Add (deduct): | | | | |
| Non-controlling interests | **$ 101** | $ 274 | **$ 776** | $ 1,050 |
| Depreciation of property, plant and equipment | **$ 896** | $ 1,073 | **$ 2,699** | $ 3,115 |
| Amortization of intangible assets | **$ 1,988** | $ 1,976 | **$ 5,811** | $ 5,876 |
| Employee future benefit expense less than employer contributions | **$ (57)** | $ (213) | **$ (161)** | $ (568) |
| Deferred income tax expense (recovery) | **$ 2,209** | $ (282) | **$ (1,940)** | $ (990) |
| Interest expense | **$ 622** | $ 650 | **$ 1,780** | $ 1,852 |
| Share of earnings from joint ventures and associates | **$ (304)** | $ (2,799) | **$ (3,750)** | $ (7,220) |
| Other non-cash items | **$ 290** | $ 96 | **$ 1,075** | $ (44) |
| Net gain on acquisition | **$ -** | $ - | **$ (2,653)** | $ (245) |
| Other income | **$ -** | $ - | **$ (188)** | $ - |
| Restructuring costs (net of tax) | **$ 456** | $ 778 | **$ 1,983** | $ 1,385 |
| Transaction and transition costs (net of tax) | **$ 101** | $ 6 | **$ 270** | $ 81 |
| **Cash flow from operations** [1] | **$ 1,206** | $ 2,602 | **$ 5,497** | $ 9,073 |

Notes:
[1] Refer to "Non-IFRS Measures" section for discussion of non-IFRS measures used in this table.

| *(thousands of dollars) except share and per share amounts* | Three months ended September 30, 2018 | 2017 | Nine months ended September 30, 2018 | 2017 |
|---|---|---|---|---|
| **Net (loss) income attributable to common shareholders before non-recurring items** [1] | | | | |
| Net (loss) income attributable to common shareholders | **$ (5,096)** | $ 1,043 | **$ (205)** | $ 4,781 |
| Add (deduct) non-recurring items: | | | | |
| Other expenses | **$ -** | $ - | **$ 338** | $ - |
| Income tax recovery | **$ 2,965** | $ - | **$ -** | $ - |
| Other income | **$ -** | $ - | **$ (188)** | $ - |
| Net gain on acquisition | **$ -** | $ - | **$ (2,653)** | $ (245) |
| Restructuring costs (net of tax) | **$ 808** | $ 811 | **$ 2,844** | $ 1,757 |
| Transaction and transition costs (net of tax) | **$ 101** | $ 6 | **$ 270** | $ 81 |
| **Net (loss) income attributable to common shareholders before non-recurring items** [1] | **$ (1,222)** | $ 1,860 | **$ 405** | $ 6,374 |
| **Weighted average shares outstanding, net** | **109,828,731** | 109,828,731 | **109,828,731** | 109,828,731 |
| Net (loss) income attributable to common shareholders per share | **$ (0.05)** | $ 0.01 | **$ 0.00** | $ 0.04 |
| EBITDA per share [1] | **$ 0.02** | $ 0.03 | **$ 0.06** | $ 0.09 |
| Cash flow from operations before non-recurring items per share [1] | **$ 0.01** | $ 0.02 | **$ 0.05** | $ 0.08 |
| Net (loss) income attributable to common shareholders before non-recurring items per share [1] | **$ (0.01)** | $ 0.02 | **$ 0.00** | $ 0.06 |

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, 2018, Glacier had consolidated cash and cash equivalents of $3.7 million, current and long-term debt of $43.0 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of $8.5 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 $2.2 million for the period ended September 30, 2018 compared to $1.6 million in the prior year. The majority of the current year expenditures relate to software development, hardware costs, leasehold improvements, infrastructures for the agricultural shows, customer list and mastheads Prior year capital expenditures related to software development, IT infrastructure, and other sustaining capital expenditures.

### Changes in Financial Position

| (thousands of dollars) | Three months ended September 30, 2018 | 2017 | Nine months ended September 30, 2018 | 2017 |
|---|---|---|---|---|
| | **$** | $ | **$** | $ |
| Cash generated from (used in) | | | | |
| Operating activities | **2,316** | 4,325 | **6,595** | 9,235 |
| Investing activities | **(1,579)** | (1,041) | **(2,982)** | 2,095 |
| Financing activities | **648** | (2,012) | **(3,827)** | (10,172) |
| (Decrease) Increase in cash | **1,385** | 1,272 | **(214)** | 1,158 |

The changes in the components of cash flows during 2018 and 2017 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 $1.2 million compared to $2.6 million in the prior year as a result of the factors stated under **Revenue**, **Gross Profit**, **General & Administrative Expenses** and **EBITDA**. Cash flows from operations before non-recurring items and after change in non-cash working capital was $2.9 million compared to $5.1 million in the prior year.

**Investing Activities**

Cash used for investing activities totalled $1.6 million for the period ended September 30, 2018 compared to $1.0 million in the prior year. Investing activities included $2.2 million of capital expenditures, distributions received of $1.4 million, and cash used in acquisitions and other investing activity $0.8 million.

**Financing Activities**

Cash generated from financing activities was $0.6 million for the period ended September 30, 2018 compared cash used for financing activities of $2.0 million in the prior year. The Company withdrew $2.8 million from the revolving bank loan and made debt repayment of $1.3 million for the quarter ended September 30, 2018. In the prior year, the Company made net debt repayment of $1.2 million. For the period ended September 30, 2018, the Company distributed $0.3 million to its non-controlling interests, and paid $0.6 million in interest.

**Outstanding Share Data**

As at September 30, 2018 and November 9, 2018, 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, 2018, 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** | **2018** | **2019** | **2020** | **2021** | **2022** | **Thereafter** |
|---|---|---|---|---|---|---|---|
| | **$** | **$** | **$** | **$** | **$** | **$** | **$** |
| Long-term debt | 42,841 | 1,983 | 40,464 | 93 | 98 | 104 | 99 |
| Operating leases | 17,089 | 1,381 | 4,266 | 3,886 | 3,159 | 1,269 | 3,128 |
| | 59,930 | 3,364 | 44,730 | 3,979 | 3,257 | 1,373 | 3,227 |

The Company will 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, 2018 and 2017.

**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 2017 Annual Report and can be found on SEDAR. The discussion is applicable for the period ended September 30, 2018.

**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, 2018 which materially affected, or are reasonably likely to materially affect, the Company's ICFR.

**Future Accounting Policies**

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.

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 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 impairment of goodwill and assets with indefinite and finite lives, retirement benefit assets/obligations, income taxes, fair value assessment of business combinations, and useful lives for depreciation and amortization of property, plant and equipment and finite life intangible assets. 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.