Consolidated Financial Statements of

GLACIER MEDIA INC.

Year ended December 31, 2016

Report to Shareholders

Financial Performance

Overall results for Glacier Media Inc. ("Glacier" or the "Company") for the year ended December 31, 2016 were encouraging in light of the many challenges faced in the year. Adjusted[(1)] consolidated EBITDA, including the Company's share of its joint venture interests, increased to $32.2 million for the year ended December 31, 2016 compared to $32.1 million in the prior year. Increases in EBITDA were achieved despite significantly reduced revenue and weaker energy and commodity markets in Western Canada, which had an overall effect on Glacier's results.

EBITDA growth occurred across a variety of the Company's business information divisions. Additionally, the Company's community media operations generated EBITDA increases as a result of the successful restructuring of newspaper and printing operations and growth in digital revenue and profitability.

Depressed energy and commodity prices continue to weigh on the Western Canadian economy and certain operations of the Company. Glacier's energy information business and community media operations, particularly in the Prairies, continue to face challenges.

Adjusted consolidated revenue was $236.1 million for the year ended December 31, 2016 compared to $260.0 million in the prior year. Revenue continues to be impacted by the maturing community media industry, along with the weak energy and commodity markets.

A number of the business information divisions had increased revenue compared to prior year including environmental and property information, agricultural information and financial information. Approximately $7.7 million of the revenue decline was due to the closure of the Printwest printing plant and consolidation. Digital community media revenues have performed well in comparison to traditional community media revenues.

During the year ended December 31, 2016, the Company completed a rights offering, raising net proceeds of $13.2 million, all of which was used to reduce the Company's senior debt. The rights offering was undertaken to reduce financial leverage by paying down bank debt, thereby allowing sufficient free cash flow from operations to be available to support investments in the Company's operating businesses and to pay down additional debt as required, from time to time.

(1) For a reconciliation of adjusted results to results in accordance with International Financial Reporting Standards ("IFRS"), refer to the "Reconciliation of IFRS to Adjusted Results" as presented in the Company's Management Discussion & Analysis.

Operational Strategy and Focus

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

1. Content and marketing solutions (evolution of media business); and
2. Data, analytics and intelligence

Through its brands and operations, Glacier serves clients in four business information verticals and through community media operations:

Agricultural Information	• Glacier FarmMedia ("GFM"): Western Producer Publications, Farm Business Communications, Canada's Outdoor Farm Show, Ag In Motion 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)
Environmental and Property Information	• ERIS (Environmental Risk Information Services), Specialty Technical Publishers ("STP") and REW.ca
Financial Information	• Fundata (50% interest)
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)

Operational Overview

Business Information

Business information's adjusted consolidated revenue decreased to $94.9 million for the year ended December 31, 2016 compared to $96.6 million in the prior year. Declines in energy and mining advertising revenue affected the group overall. Business information's adjusted consolidated EBITDA decreased to $18.4 million for the year ended December 31, 2016 compared to $20.7 million for in the prior year.

Excluding the operational losses in energy and mining information, Glacier's business information operations had increased adjusted revenue of 5.8% or $4.5 million over the prior year and adjusted EBITDA increased 7.0% or $1.4 million over the prior year.

Agricultural Information

- Conditions in the agricultural sector remain soft with low commodity prices and increasing industry consolidation. Despite this, certain operations within GFM grew during the year.
- GFM held two successful outdoor farm demonstration shows during the year. Combined, the shows experienced significant increases in both the number of exhibitors and attendance which resulted in significant increases in both revenue and profit.
- WIN continued a strong growth path aided by the agricultural industry's ongoing acceptance of data and precision agriculture technologies. During the year, WIN expanded operations in the EU and commenced the deployment of a U.K.-based weather network for the Food and Environment Research Agency, a U.K. crown corporation.

Energy and Mining Information

- Market conditions within both the energy and mining sectors remained very challenging in 2016. The Company implemented substantial cost reduction programs and focussed operations.
- Electronic information subscription and database revenue have continued to hold up relatively well during the downturn, and have been aided by the increased demand for information on distressed energy assets and companies. In order to mitigate reduced advertising revenues, JWN has pursued alternative revenue initiatives such as research contracts.
- Despite the difficult market conditions, the Company continued to invest in key subscription and database products such as the Daily Oil Bulletin, Canoils, Edumine and IntelligenceMine. Revenues in these products have held up relatively better than advertising revenues and will position the Company well when the cyclical downturns end.

Environmental and Property Information

- The environmental and property operations continue to experience solid revenue growth, adding a number of new customers during the year.
- Operating investments continue to be made to allow ERIS to scale to the next revenue tier and maintain strong product quality. The tangible benefits of these investments, along with increased profits, expect to be realized over the coming year.
- STP grew during the year as a result of continued growth in sales through Environmental Management Information Systems.
- REW.ca, the Company's online real estate portal, continued to grow rapidly. 2016 traffic grew by more than 80% versus the prior year with visits exceeding 18 million in the year. Improved features and products for customers resulted in a more than doubling of revenues.

Financial Information

- Fundata experienced growth through continued investment in new products and offerings. During the year, Fundata successfully launched a new Mutual Fund Point of Sale compliance offering, landing contracts with two large Canadian financial institutions.

Community Media

Community media's adjusted consolidated revenue decreased to $141.3 million for the year ended December 31, 2016 from $163.4 million in the prior year. Community media's adjusted consolidated EBITDA increased to $21.8 million for the year ended December 31, 2016 from $20.3 million in the prior year.

- Revenue declines within community media were driven by a combination of planned closures and restructuring, the maturing nature of print advertising and the impact of continued weak commodity prices in many Western Canadian communities.
- Digital community media revenues grew substantially as compared to last year.
- The total rate of revenue decline was lower in the later months of 2016 than earlier in the year.
- EBITDA increased in the year as a result of the continued realization of savings from the restructurings implemented throughout 2015 and 2016 and the relatively better revenue picture. In many cases, the restructurings have resulted in improved products for both readers and advertisers as fewer but more substantial editions are published.

Financial Position

At December 31, 2016, senior debt was $43.7 million. During 2016, the Company made net repayments of $17.2 million of senior debt, of which a portion came from the issuance of shares pursuant to the rights offering. Subsequent to year end, the Company also repaid $3.1 million of debt, partly from the sale of non-core assets.

On an adjusted basis, Glacier's consolidated debt net of cash outstanding before deferred financing charges was 1.68x trailing 12-months EBITDA as at December 31, 2016.

Outlook

Near-term uncertainty and market risk continues, especially given the ongoing impact of weak energy and commodity market conditions on the Western Canadian economy. Elements of both of the Company's segments, business information and community media, will continue to be negatively impacted. The Company remains confident in the longer term outlook for the energy and mining information sectors and a rebound in the mining sector appears to be underway.

The Company continues to invest in its business information operations which offer, and are demonstrating, substantial growth. These include ERIS, REW.ca, STP, Fundata, WIN and the agricultural exhibitions. 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 downturns reverse.

Within community media, cost savings initiatives from substantial restructurings, implemented throughout 2015 and 2016, continue to benefit the bottom line. As importantly, many of these restructurings strengthened the businesses by creating more efficient operations with improved offerings for both readers and advertisers. A relatively better revenue picture within a number of the operations provides some evidence of the better offerings.

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. A strengthened balance sheet will mitigate risk while allowing the ongoing and planned operational and capital investments. These investments are necessary to continue the strong growth in a number of the Company's businesses that are creating real shareholder value.

Management would like to thank the entire Glacier staff and our partners for their continued dedication and hard work. The results and ongoing transformation and strengthening of the business is due to their efforts. We would also like to thank our Board of Directors for their valuable guidance and support over the past year.

2016 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 March 30, 2017.

Glacier Media Inc.'s Annual 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 our business information operations, to generate new revenues, to generate sufficient cash flow from operations to meet anticipated working capital, capital expenditures, and debt service requirements and to reduce debt levels. 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 annual 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 Annual 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 Annual 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 March 30, 2017 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, 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").

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 Media Inc. is an information & marketing solutions company pursuing growth in sectors where the provision of essential information and related services provides high customer utility and value. The related "go to market" strategy is being pursued through two operational areas:

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

Through its brands and operations, Glacier serves clients in four business information verticals and through community media operations:

Agricultural Information	• Glacier FarmMedia ("GFM"): Western Producer Publications, Farm Business Communications, Canada's Outdoor Farm Show, Ag In Motion and Weather INnovations Network ("WIN")
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Financial Information	• Fundata (50% interest)
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 2016 and Outlook

Overall results for the year ended December 31, 2016 were encouraging in light of the many challenges faced in the year. Increases in EBITDA were achieved despite significantly reduced revenue and weaker energy and commodity markets in Western Canada, which had an overall effect on Glacier's results.

EBITDA growth occurred across a variety of the Company's business information divisions. Additionally, the Company's community media operations generated EBITDA increases as a result of the successful restructuring of newspaper and printing operations and growth in digital revenue and profitability.

Depressed energy and commodity prices continue to weigh on the Western Canadian economy and certain operations of the Company. Glacier's energy information business and community media operations, particularly in the Prairies, continue to face challenges.

Revenue continues to be impacted by the maturing community media industry, along with the weak energy and commodity markets. A number of the business information divisions had increased revenue compared to prior year including environmental and property information and agricultural information. Approximately $7.7 million of the revenue decline was due to the closure of the Printwest printing plant and consolidation. Digital community media revenues have performed well in comparison to traditional community media revenues.

During the year ended December 31, 2016, the Company completed a rights offering, raising net proceeds of $13.2 million, all of which was used to reduce the Company's senior debt. The rights offering was undertaken to reduce financial leverage by paying down bank debt, thereby allowing sufficient free cash flow from operations to be available to support investments in the Company's operating businesses and to pay down additional debt as required, from time to time.

Business Information

Agricultural Information

- Conditions in the agricultural sector remain soft with low commodity prices and increasing industry consolidation. Despite this, certain operations within GFM grew during the year.
- GFM held two successful outdoor farm demonstration shows during the year. Combined, the shows experienced significant increases in both the number of exhibitors and attendance which resulted in significant increases in both revenue and profit.
- WIN continued a strong growth path aided by the agricultural industry's ongoing acceptance of data and precision agriculture technologies. During the year, WIN expanded operations in the EU and commenced the deployment of a U.K.-based weather network for the Food and Environment Research Agency, a U.K. crown corporation.

Energy and Mining Information

- Market conditions within both the energy and mining sectors remained very challenging in 2016. The Company implemented substantial cost reduction programs and focussed operations.
- Electronic information subscription and database revenue have continued to hold up relatively well during the downturn, and have been aided by the increased demand for information on distressed energy assets and companies. In order to mitigate reduced advertising revenues, JWN has pursued alternative revenue initiatives such as research contracts.
- Despite the difficult market conditions, the Company continued to invest in key subscription and database products such as the Daily Oil Bulletin, Canoils, Edumine and IntelligenceMine. Revenues in these products have held up relatively better than advertising revenues and will position the Company well when the cyclical downturns end.

Environmental and Property Information

- The environmental and property operations continues to experience solid revenue growth, adding a number of new customers during the year.
- Operating investments continue to be made to allow ERIS to scale to the next revenue tier and maintain strong product quality. The tangible benefits of these investments, along with increased profits, expect to be realized over the coming year.
- STP grew during the year as a result of continued growth in sales through Environmental Management Information Systems.
- REW.ca, the Company's online real estate portal, continued to grow rapidly. 2016 traffic grew by more than 80% versus the prior year with visits exceeding 18 million in the year. Improved features and products for customers resulted in a more than doubling of revenues.

Financial Information

- Fundata experienced growth through continued investment in new products and offerings. During the year, Fundata successfully launched a new Mutual Fund Point of Sale compliance offering, landing contracts with two large Canadian financial institutions.

Community Media

- Revenue declines within community media were driven by a combination of planned closures and restructuring, the maturing nature of print advertising and the impact of continued weak commodity prices in many Western Canadian communities.
- Digital community media revenues grew substantially as compared to last year.
- The total rate of revenue decline was lower in the later months of 2016 than earlier in the year.
- EBITDA increased in the year as a result of the continued realization of savings from the restructurings implemented throughout 2015 and 2016 and the relatively better revenue picture. In many cases, the restructurings have resulted in improved products for both readers and advertisers as fewer but more substantial editions are published.

Near-term uncertainty and market risk continues, especially given the ongoing impact of weak energy and commodity market conditions on the Western Canadian economy. Elements of both of the Company's segments, business information and community media, will continue to be negatively impacted. The Company remains confident in the longer term outlook for the energy and mining information sectors and a rebound in the mining sector appears to be underway.

The Company continues to invest in its business information operations which offer, and are demonstrating, substantial growth. These include ERIS, REW.ca, STP, Fundata, WIN and the agricultural exhibitions. 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 downturns reverse.

Within community media, cost savings initiatives from substantial restructurings, implemented throughout 2015 and 2016, continue to benefit the bottom line. As importantly, many of these restructurings strengthened the businesses by creating more efficient operations with improved offerings for both readers and advertisers. A relatively better revenue picture within a number of the operations provides some evidence of the better offerings.

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. A strengthened balance sheet will mitigate risk while allowing the ongoing and planned operational and capital investments. These investments are necessary to continue the strong growth in a number of the Company's businesses that are creating real shareholder value.

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)	**Year ended December 31, 2016**			Year ended December 31, 2015		
except share and per share amounts	**Per IFRS**	**Differential**	**Adjusted (1)**	Per IFRS	Differential	Adjusted (1)
Revenue	$ 198,792	$ 37,326	$ 236,118	$ 220,702	$ 39,331	$ 260,033
Gross profit (3)	$ 61,416	$ 19,138	$ 80,554	$ 64,698	$ 20,524	$ 85,222
Gross margin	30.9%		34.1%	29.3%		32.8%
EBITDA (1)(2)	$ 18,624	$ 13,620	$ 32,244	$ 17,177	$ 14,923	$ 32,100
EBITDA margin (1)	9.4%		13.7%	7.8%		12.3%
EBITDA per share (1)(2)	$ 0.19	$ 0.13	$ 0.32	$ 0.19	$ 0.17	$ 0.36
Net income attributable to common shareholders before non-recurring items (1)(2)	$ 9,178	$ 43	$ 9,221	$ 11,156	$ (33)	$ 11,123
Net income attributable to common shareholders before non-recurring items per share (1)(2)	$ 0.09	$ -	$ 0.09	$ 0.13	$ (0.01)	$ 0.12
Net income (loss) attributable to common shareholders	$ 1,420	$ 11	$ 1,431	$ (152,813)	$ (259)	$ (153,072)
Net income (loss) attributable to common shareholders per share	$ 0.01	$ -	$ 0.01	$ (1.72)	$ -	$ (1.72)
Cash flow from operations before non-recurring items (1)(2)	$ 16,917	$ 11,854	$ 28,771	$ 16,139	$ 13,108	$ 29,247
Cash flow from operations per share (1)(2)	$ 0.17	$ 0.12	$ 0.29	$ 0.18	$ 0.15	$ 0.33
Total assets	$ 252,003	$ 20,957	$ 272,960	$ 263,461	$ 24,390	$ 287,851
Weighted average shares outstanding, net	99,342,554		99,342,554	89,083,105		89,083,105

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 increased to $32.2 million for the year ended December 31, 2016 compared to $32.1 million in the prior year. Increases in adjusted EBITDA were achieved despite significantly reduced revenue and weaker energy and commodity markets in Western Canada, which had an overall effect on Glacier's results.

Adjusted consolidated revenue was $236.1 million for the year ended December 31, 2016 compared to $260.0 million in the prior year. Revenue continues to be impacted by the maturing community media industry, along with the weak energy and commodity markets.

For the year ended December 31, 2016, adjusted net income attributable to common shareholders before non-recurring items decreased to $9.2 million from $11.1 million. Adjusted cash flow from operations before non-recurring items decreased to $28.8 million from $29.2 million.

On an adjusted basis, Glacier's consolidated debt net of cash outstanding before deferred financing charges was 1.68x trailing 12-months EBITDA as at December 31, 2016.

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.

Annual 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 years ended December 31, 2016, 2015 and 2014:

(thousands of dollars) except share and per share amounts	2016	2015	2014 [3]
Revenue	$ 198,792	$ 220,702	$ 247,871
Gross profit [2]	$ 61,416	$ 64,698	$ 78,529
Gross margin	30.9%	29.3%	31.7%
EBITDA [1]	$ 18,624	$ 17,177	$ 29,083
EBITDA margin [1]	9.4%	7.8%	11.7%
EBITDA per share [1]	$ 0.19	$ 0.19	$ 0.33
Interest expense, net	$ 3,719	$ 4,121	$ 4,511
Net income attributable to common shareholders before non-recurring items [1]	$ 9,178	$ 11,156	$ 15,712
Net income attributable to common shareholder before non-recurring items per share [1]	$ 0.09	$ 0.13	$ 0.18
Net income (loss) attributable to common shareholders	$ 1,420	$ (152,813)	$ (250)
Net income (loss) attributable to common shareholders per share	$ 0.01	$ (1.72)	$ 0.00
Cash flow from operations [1]	$ 16,917	$ 16,139	$ 31,030
Cash flow from operations per share [1]	$ 0.17	$ 0.18	$ 0.35
Capital expenditures	$ 4,474	$ 5,170	$ 4,193
Total assets	$ 252,003	$ 263,461	$ 485,183
Total non-current financial liabilities	$ 50,747	$ 70,589	$ 75,059
Debt net of cash outstanding before deferred financing charges and other expenses	$ 50,320	$ 70,781	$ 75,023
Equity attributable to common shareholders	$ 133,351	$ 116,727	$ 273,349
Dividends paid [4][5]	$ -	$ 5,344	$ 7,125
Dividends paid per share [4][5]	$ -	$ 0.06	$ 0.08
Weighted average shares outstanding, net	99,342,554	89,083,105	89,083,105

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.
(3) 2014 has been presented with certain assets as discontinued operations, which are not included in the above results.
(4) Dividends declared in 2015 total $0.04 per share and dividends paid total $0.06 per share, due to the fact that some dividends declared in 2014 being paid in 2015. In August 2015, the Company ceased the payment of dividends.
(5) Dividends declared and paid in 2014 total $0.08 per share.

The main factors affecting the comparability of the results over the last two years 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 falling price of oil and general softness in the agriculture and mining industries;
- Fluctuations in restructuring expenses including severance payments, transaction and transition expenses, and the write-off of certain assets and other amounts related to the closure and sale of certain community media assets;
- 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;
- The Company purchased the remaining ownership interest in Evaluate Energy for a cash purchase price of $1.0 million. The Company's ownership interest increased from 60% to 100%;
- Decreased revenues and expenses primarily due to the restructurings and closures in the Lower Mainland of B.C. in 2015 and the closure of other smaller publications throughout 2015;

- The Company recognized settlement gains on pension and post-retirement benefits of $6.4 million in 2015;
- The sale of a package of real estate assets for $4.8 million in 2015. $2.7 million was generated through a sale lease-back transaction;
- An overall impairment charge of $5.9 million in 2016 and $194.0 million in 2015; and
- Impairments taken in 2016 within certain joint ventures and associates included in the Company's share of earnings from joint ventures and associates.

Revenue

Glacier's consolidated revenue for the year ended December 31, 2016 was $198.8 million compared to $220.7 million last year.

Business Information

The business information group generated revenues of $85.9 million for the year ended December 31, 2016, as compared to $88.2 million in the prior year. Information subscription and data related sales remained strong. ERIS, the Company's environmental risk information business, continues to generate strong growth in revenues, especially in the U.S. markets.

The Company's business information revenues were impacted by the downturn in the oil and gas sector, weaker agricultural conditions and softness in the mining industry. Concerted efforts have been put in place to mitigate the revenue decreases in the Company's energy operations through pursuing alternative revenue initiatives such as research contracts.

Community Media

The community media group generated $112.9 million of revenue for the year ended December 31, 2016, as compared to $132.5 million in the prior year.

Glacier's community media operations continued to experience softness due to increased digital competition, as well as softer economic conditions in some of the markets in which the Company's operations are located. In particular, local markets in Saskatchewan, Alberta, and Northern B.C. have been significantly affected by the downturn in the energy and agriculture industries. National advertising, in particular, continues to be affected by the shift to digital advertising. Part of the decline in community media revenue was from the sale, closure and restructuring of a group of community media assets in B.C. Restructuring continues and has resulted in large financial and operating improvements.

A wide array of sales initiatives are being pursued to find new sources of community media revenue. In particular, digital media initiatives resulted in growth in digital community media revenues and new features and supplements initiatives contributed to local revenue performance. The wide range of new revenue initiatives and focus on higher-margin revenues resulted in incremental sales that helped to partially offset the weaker traditional print advertising.

Gross Profit

Glacier's consolidated gross profit, being revenues less direct expenses, for the year ended December 31, 2016 was $61.4 million compared to $64.7 million last 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.

Gross profit as a percentage of revenues ("gross profit margin") for the year ended December 31, 2016 was 30.9% as compared to 29.3% in the prior year.

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were $42.8 million for the year ended December 31, 2016 as compared to $47.5 million last year. The decrease primarily relates to cost savings from the Company's restructuring efforts.

EBITDA

EBITDA was $18.6 million for the year ended December 31, 2016 as compared to $17.2 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 year ended December 31, 2016 was $3.7 million as compared to $4.1 million in the prior year, a decrease of $0.4 million. The decrease was primarily the result of debt repayments made throughout 2016 and 2015.

Depreciation and Amortization

Depreciation of property, plant and equipment for the year ended December 31, 2016 decreased $0.7 million as compared to the prior year mainly due to the disposition of certain community media assets in 2016. Amortization of intangible and other assets decreased $1.3 million as compared to the prior year mainly due to impairment in amortizing intangible assets taken in 2015.

Settlement Gain on Pension and Post-Retirement Benefits

For the year ended December 31, 2015, the Company recognized a $4.8 million non-cash settlement gain on pension and post-retirement benefits as a number of employees left the Company's pension and post-retirement benefit plan, as a result of the sale of certain of its business information media publications and related assets located in Toronto. The Company also recognized a $1.6 million non-cash settlement gain on the pension and post-retirement benefits as result of the decision to eliminate, for all members, future benefit accruals under the defined benefit provision of the plan and the closure of the post retirement benefit plan for new retirees.

Restructuring and Other Expenses (Net)

Restructuring and other expenses (net) for the year ended December 31, 2016 were $4.1 million compared to $9.7 million last year. These expenses for the current year include restructuring costs, transaction and transition costs, foreign exchange, other income and net gains or losses on disposal of assets. Restructuring and other expenses were impacted by restructuring initiatives including severance costs incurred as the Company restructured and reduced its workforce.

Impairment Expense

The Company completed its annual impairment testing of goodwill and indefinite life intangible assets based on management's best estimates of key assumptions. These key assumptions include future cash flows (based on historic results and future operating plans), budgeted revenues, weighted average cost of capital, discount rate, current strategies, economic conditions and the general outlook for the industry and markets in which the cash generating units ("CGU") operate. The recoverable amounts are determined based on the greater of value in use and fair value less cost to dispose, of an individual CGU.

When indicators of impairment exists, the Company reviews finite life intangible assets and property, plant and equipment for impairment. The method for estimating impairment is consistent with goodwill and intangible assets with indefinite lives, as noted above.

For the year ended December 31, 2016, the Company recorded a $5.9 million impairment of expense as compared to $194.0 million in the prior year. The $5.9 million impairment represents $3.3 million of goodwill and $2.6 million of indefinite intangible assets within the Prairie Community Media group of CGUs.

In 2015, the $194.0 million impairment represent $125.1 million in total goodwill impairments within the BC Community Media, Prairie Community Media, Agriculture and Energy, and Other Business Information groups of cash generating units, $33.4 million of intangible asset impairments within the BC Community Media, Prairie Community Media, Agriculture and Energy, and Other Business Information groups of CGUs, $31.5 million of investment in joint ventures and associates and $4.0 million of property, plant and equipment within the Prairie Community Media group of cash generating units.

Impairment has no cash flow impact.

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, decreased $1.8 million as compared to the prior year. This includes the Company's share of impairment expense recorded in the joint ventures and associates.

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 December 31,	
(thousands of dollars)	**2016**	2015
	$	$
Assets	**91,912**	99,687
Liabilities	**32,316**	40,287
Net assets	**59,596**	59,400
	For the year ended December 31,	
	2016	2015
	$	$
Revenues	**61,775**	68,832
Net income for the year	**9,291**	11,274
Other comprehensive income (loss)	**175**	(455)

Net Income Attributable to Common Shareholders

Net income attributable to common shareholders increased by $154.2 million compared to the prior year. The increase resulted from i) higher operating results of $1.4 million, ii) lower impairment expense of $188.1 million, iii) lower depreciation and amortization expense of $2.1 million, iv) lower interest expense of $0.4 million and v) lower restructuring and other expenses (net) of $5.6 million. The increase was partially offset by i) lower settlement gain on pension and post-retirement benefits of $6.4 million, ii) lower share of earnings from joint ventures and associates of $1.9 million, iii) lower income tax recovery of $7.3 million and iv) higher non-controlling interest of $27.8 million.

Other Comprehensive Loss (net of tax)

For the year ended December 31, 2016, Glacier recognized other comprehensive income (net of tax) of $2.3 million. The majority of the income related to the actuarial gain on defined benefit pension plans.

Cash Flow from Operations

Glacier's consolidated cash flow from operations was $16.9 million (before changes in non-cash operating accounts and non-recurring items) for the year ended December 31, 2016 as compared to $16.1 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 $4.5 million for the year ended December 31, 2016 compared to $5.2 million in the prior year. The majority of the current year expenditures relate to software costs, buildings for the agricultural exhibition shows, deployment of weather station equipment and leaseholds relating to office relocations made to reduce operating costs. Prior year capital expenditures related to software costs, leaseholds for the agricultural exhibition shows, and leaseholds relating to office relocations made to reduce operation costs.

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

Related Party Transactions

During the year ended December 31, 2016, the Company and its affiliates recorded administration, consulting, interest and other expenses of $1.1 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 and received $0.5 million for these services in 2016. 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. During the year, $0.5 million of interest was incurred by a subsidiary of the Company in connection with the loan, which interest was paid by Madison and reimbursed by the subsidiary. Madison charges interest based on the prevailing bankers' acceptance rate plus an acceptance fee which ranges from 2.75% to 3.50% or the bank prime rate plus 1.38% to 2.13%. In addition, Madison charges an annual fee of 1% for the guarantee, which was $0.1 million for the year.

Other office related expenses of $0.1 million were paid to Madison during the year in relation to office space shared to reduce expenses.

During the year ended December 31, 2016, the Company paid its joint venture GWNLP for printing services as part of its normal operations. These services were provided at the agreed upon value. Total printing charged to the Company for the year was $0.4 million. At December 31, 2016, $2.0 million was due to GWNLP for printing services and other amounts plus accrued interest on the outstanding balance.

During the year ended December 31, 2016, the Company charged management fees to its joint venture, Fundata for management services as part of its normal operations. Total fees charged by the Company for the year were $0.3 million.

During the year ended December 31, 2016, the Company received interest from its joint venture RISN, on a loan that was fully paid off in 2016. The loan was made to fund historical acquisitions. Total interest charged to RISN for the year was USD $0.1 million.

During the year ended December 31, 2016, the Company had amounts due from Infomine Inc. of $1.9 million. These amounts were non-interest bearing and were due on demand. In 2016, these amounts were included in other assets.

During the year ended December 31, 2016, a subsidiary of the Company received fee income of $0.2 million related to providing a guarantee on the debt of one of the Company's associates.

At December 31, 2016, the Company had amounts due from an associate of $5.2 million relating to non-operating advances. These amounts are non-interest bearing and have no fixed terms of repayment. These amounts are included in trade receivables.

Contingency

During 2014-2016 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 2008-2015. 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 $53.3 million.

The affiliate has filed notices of objection with the CRA and provincial taxing authorities. In connection with filing the notice of objections, the affiliate is required to make a 50% deposit of the amounts claimed by the CRA and provincial authorities as assessed. The affiliate has paid the required deposit of $21.8 million of which $1.6 was paid during 2016. No further amounts are due at this time for the 2008-2014 taxation years as the appeal process continues. These payments have been recorded as other assets, within non-current assets, as the Company and its affiliate expect to ultimately be successful in its objection.

The affiliate has filed a notice of objection with the CRA relating to its 2015 year. The affiliate will be required to make a $1.1 million deposit, 50% of amounts claimed by the CRA as assessed. The affiliate will pay the required deposit during 2017.

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.

If the affiliate is successful in defending its positions, the deposits made plus applicable interest will be refunded to the affiliate. There is no assurance that the affiliate's objections and appeals will be successful. If the CRA and provincial tax authorities are successful, the affiliate will be required to pay the remaining balance of taxes owing plus applicable interest, and will be required to write-off any remaining tax assets relating to reassessed amounts.

Fourth Quarter IFRS Results and Overview of Operating Performance

Revenue

Glacier's consolidated revenue for the quarter ended December 31, 2016 was $48.8 million compared to $53.4 million in the same period last year.

In a number of the Company's operations, fourth quarter results showed improvements over the same period in the prior year and are reflective of overall operating improvements that took place during 2016. In particular, the environmental and property group experienced revenue growth.

Glacier's energy group continues to be adversely impacted by the difficult oil and gas environment in Western Canada. This down turn is also affecting certain community media markets. The negative market conditions substantially impacted the fourth quarter with revenues lower than the prior year. Community media, in general, also experienced softness in the fourth quarter of 2016 in many of Glacier's markets due primarily to softer national advertising, although digital community media revenues continued to grow. Additionally, community media's total rate of revenue decline was lower in the later months of 2016 than earlier in the year.

Gross Profit

Glacier's consolidated gross profit for the three months ended December 31, 2016 was $15.9 million compared to $16.7 million in the same period last year. The gross profit decreased compared to the prior year, as a result of the lower revenue in the Company's community media operations and certain business information sectors, which were partially offset by the realization of cost saving initiatives and growth in other community media and business information sectors.

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were $10.7 million for the three months ended December 31, 2016 compared to $10.9 million in the same period in the prior year. The decrease was due to cost savings from the Company's restructuring efforts.

EBITDA

Consolidated EBITDA decreased to $5.3 million for the three months ended December 31, 2016 as compared to $5.8 million in the same period in the prior year. The decrease in EBITDA was due to the reasons stated under **Revenue, Gross Profit** and **General & Administrative Expenses**.

Net Loss Attributable to Common Shareholders

Net loss attributable to common shareholders decreased by $146.1 million compared to the fourth quarter of 2015. The decrease resulted from i) lower impairment expense of $188.1 million, ii) lower interest expense of $0.2 million and iii) lower amortization and depreciation of $0.2. This was partially offset by i) lower operating results of $0.5 million, ii) lower settlement gain on pension and post-retirement benefits of $1.5 million, iii) a change in restructuring and other expenses (net) of $6.1 million, iv) lower share of earnings from joint ventures and associates of $0.8 million, vii) lower income tax recovery of $6.3 million and viii) higher non-controlling interests of $27.1 million.

Cash Flow from Operations

Glacier's consolidated cash flow from operations was $4.2 million (before changes in non-cash working capital and non-recurring items) for the three month period ended December 31, 2016 compared to $5.0 million for the same period last year. The decrease in cash flow from operations was primarily a result of the reasons described under **Revenue, Gross Profit** and **General & Administrative Expenses**.

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

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	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Revenue	$ 198,792	$ 48,840	$ 49,603	$ 51,018	$ 49,331
EBITDA [(1)]	$ 18,624	$ 5,289	$ 4,534	$ 3,933	$ 4,868
EBITDA margin [(1)]	9.4%	10.8%	9.1%	7.7%	9.9%
EBITDA per share [(1)]	$ 0.19	$ 0.05	$ 0.04	$ 0.04	$ 0.05
Interest expense, net	$ 3,719	$ 1,056	$ 745	$ 917	$ 1,001
Net income attributable to common shareholders before non-recurring items [(1)]	$ 9,178	$ 2,841	$ 1,563	$ 3,429	$ 1,345
Net income attributable to common shareholders before non-recurring items per share [(1)]	$ 0.09	$ 0.03	$ 0.01	$ 0.04	$ 0.02
Net income (loss) attributable to common shareholders	$ 1,420	$ (2,587)	$ 1,784	$ 2,495	$ (272)
Net income (loss) attributable to common shareholders per share	$ 0.01	$ (0.02)	$ 0.02	$ 0.03	$ 0.00
Cash flow from operations [(1)]	$ 16,917	$ 4,156	$ 4,713	$ 3,682	$ 4,366
Cash flow from operations per share [(1)]	$ 0.17	$ 0.04	$ 0.04	$ 0.04	$ 0.05
Capital expenditures	$ 4,474	$ 1,835	$ 1,232	$ 819	$ 588
Debt net of cash outstanding before deferred financing charges and other expenses	$ 50,320	$ 50,320	$ 51,591	$ 64,786	$ 68,417
Equity attributable to common shareholders	$ 133,351	$ 133,351	$ 131,986	$ 115,586	$ 115,972
Weighted average shares outstanding, net	99,342,554	109,828,731	109,152,243	89,083,105	89,083,105

	Trailing 12 Months	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Revenue	$ 220,702	$ 53,369	$ 50,320	$ 60,940	$ 56,073
EBITDA [(1)]	$ 17,177	$ 5,838	$ 2,034	$ 5,832	$ 3,473
EBITDA margin [(1)]	7.8%	10.9%	4.0%	9.6%	6.2%
EBITDA per share [(1)]	$ 0.19	$ 0.07	$ 0.02	$ 0.07	$ 0.04
Interest expense, net	$ 4,121	$ 1,257	$ 926	$ 983	$ 955
Net income attributable to common shareholders before non-recurring items [(1)]	$ 11,156	$ 6,274	$ 2,537	$ 2,233	$ 112
Net income attributable to common shareholders before non-recurring items per share [(1)]	$ 0.13	$ 0.07	$ 0.03	$ 0.03	$ 0.00
Net (loss) income attributable to common shareholders	$ (152,813)	$ (148,649)	$ (6,775)	$ (1,052)	$ 3,663
Net (loss) income attributable to common shareholders per share	$ (1.72)	$ (1.67)	$ (0.08)	$ (0.01)	$ 0.04
Cash flow from operations [(1)]	$ 16,139	$ 4,967	$ 2,138	$ 5,213	$ 3,821
Cash flow from operations per share [(1)]	$ 0.18	$ 0.06	$ 0.02	$ 0.06	$ 0.04
Capital expenditures	$ 5,170	$ 137	$ 1,272	$ 1,863	$ 1,898
Debt net of cash outstanding before deferred financing charges and other expenses	$ 70,781	$ 70,781	$ 78,041	$ 71,674	$ 75,235
Equity attributable to common shareholders	$ 116,727	$ 116,727	$ 265,737	$ 272,625	$ 274,743
Weighted average shares outstanding, net	89,083,105	89,083,105	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;
- Decreased revenues and expenses, and quarterly fluctuations in restructuring expenses, primarily due to the restructuring, sale and closure of certain community media assets, specifically in the Lower Mainland of B.C. in the second quarter of 2015;

- 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;
- The purchase of a 60% interest in Evaluate Energy, based in the U.K., in the fourth quarter of 2014, and the purchase of the remaining 40% ownership interest in the second quarter of 2016 for a cash purchase price of $1.0 million.;
- The Company recognized settlement gains on pension and post-retirement benefits of $4.8 million in the first quarter of 2015, and $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;
- The sale, closure and asset write-down of Printwest in the third quarter of 2015;
- An overall impairment charge of $5.9 million in the fourth quarter of 2016 and $194.0 million in fourth quarter of 2015; and
- The sale of certain business information media publications and related assets located in Toronto in the first quarter of 2015. The assets and liabilities were considered to be held for sale as at December 31, 2014 and previously presented as discontinued operations.

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

The following tables reconciles 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*		**2016**		2015		2014
EBITDA (1)						
Net income (loss) attributable to common shareholders	**$**	**1,420**	$	(152,813)	$	(250)
Add (deduct):						
Non-controlling interests	**$**	**1,751**	$	(26,018)	$	4,455
Net loss from discontinued operations (net of tax)	**$**	**-**	$	-	$	5,557
Net interest expense	**$**	**3,719**	$	4,121	$	4,511
Depreciation of property, plant and equipment	**$**	**4,660**	$	5,404	$	5,675
Amortization of intangible assets	**$**	**6,742**	$	8,049	$	7,073
Settlement gain on pension and post-retirement benefits	**$**	**-**	$	(6,388)	$	(1,151)
Other income	**$**	**-**	$	-	$	(878)
Net gain on disposal	**$**	**-**	$	-	$	(1,778)
Impairment expense	**$**	**5,881**	$	193,953	$	10,982
Restructuring and other expenses (net)	**$**	**4,117**	$	9,724	$	2,406
Share of earnings from joint ventures and associates	**$**	**(8,618)**	$	(10,475)	$	(8,107)
Income tax (recovery) expense	**$**	**(1,048)**	$	(8,380)	$	588
EBITDA (1)	**$**	**18,624**	$	17,177	$	29,083

(thousands of dollars) except share and per share amounts		**2016**		2015		2014
Cash flow from operations [1]						
Net income (loss) attributable to common shareholders	**$**	**1,420**	$	(152,813)	$	(250)
Add (deduct):						
Non-controlling interests	**$**	**1,751**	$	(26,018)	$	4,455
Depreciation of property, plant and equipment	**$**	**4,660**	$	5,404	$	5,675
Amortization of intangible assets	**$**	**6,742**	$	8,049	$	7,073
Net gain on disposal	**$**	**-**	$	-	$	(2,432)
Impairment expense	**$**	**5,881**	$	193,953	$	10,982
Employee future benefit expense (less than) in excess of employer contributions	**$**	**(125)**	$	608	$	789
Deferred income tax recovery	**$**	**(1,792)**	$	(8,380)	$	(2,818)
Interest expense	**$**	**3,806**	$	4,173	$	4,689
Share of earnings from joint ventures and associates	**$**	**(8,618)**	$	(10,475)	$	(8,107)
Change in non-cash operating accounts from discontinued operations	**$**	**-**	$	-	$	8,699
Settlement gain on pension and post-retirement benefits	**$**	**-**	$	(6,388)	$	(1,151)
Other non-cash items	**$**	**723**	$	1,056	$	651
Other income	**$**	**(238)**	$	-	$	(605)
Restructuring costs (net of tax)	**$**	**2,283**	$	4,613	$	1,817
Transaction and transition costs (net of tax)	**$**	**424**	$	2,357	$	1,563
Cash flow from operations [1]	**$**	**16,917**	$	16,139	$	31,030
Net income attributable to common shareholders before non-recurring items [1]						
Net income (loss) attributable to common shareholders	**$**	**1,420**	$	(152,813)	$	(250)
Add (deduct):						
Other expenses (net)	**$**	**-**	$	534	$	323
Settlement gain on pension and post-retirement benefits	**$**	**-**	$	(6,388)	$	(1,151)
Other income	**$**	**(251)**	$	(83)	$	(605)
Net gain on disposal	**$**	**(814)**	$	(421)	$	(1,778)
Impairment expense (net of tax)	**$**	**5,333**	$	161,586	$	18,364
Restructuring costs (net of tax)	**$**	**3,066**	$	6,384	$	1,817
Transaction and transition costs (net of tax)	**$**	**424**	$	2,357	$	2,714
Items from discontinued operations	**$**	**-**	$	-	$	(3,722)
Net income attributable to common shareholders before non-recurring items [1]	**$**	**9,178**	$	11,156	$	15,712
Weighted average shares outstanding, net		**99,342,554**		89,083,105		89,083,105
Net income (loss) attributable to common shareholders per share	**$**	**0.01**	$	(1.72)	$	0.00
EBITDA per share [1]	**$**	**0.19**	$	0.19	$	0.33
Cash flow from operations before non-recurring items per share [1]	**$**	**0.17**	$	0.18	$	0.35
Net income attributable to common shareholders before non-recurring items per share [1]	**$**	**0.09**	$	0.13	$	0.18

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 December 31, 2016, Glacier had consolidated cash and cash equivalents of $3.6 million, current and long-term debt of $53.9 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt, and working capital of $15.8 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 $4.5 million for the year ended December 31, 2016 compared to $5.2 million in the prior year. The majority of the current year expenditures relate to software costs, buildings for the agricultural exhibition shows, deployment of weather station equipment and leaseholds relating to office relocations made to reduce operating costs. Prior year capital expenditures related to software costs, leaseholds for the agricultural exhibition shows, and leaseholds relating to office relocations made to reduce operation costs.

Changes in Financial Position

(thousands of dollars)	**2016**	2015	2014
Cash generated from (used in)			
Operating activities	**11,783**	12,768	25,465
Investing activities	**2,121**	5,552	8,249
Financing activities	**(14,541)**	(22,263)	(32,492)
(Decrease) increase in cash	**(637)**	(3,943)	1,222

The changes in the components of cash flows during 2016 and 2015 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 $16.9 million compared to $16.1 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 $14.3 million compared to $19.7 million in the prior year.

Investing Activities

Cash generated by investing activities totalled $2.1 million for the year ended December 31, 2016 compared to $5.6 million in 2016. Investing activities included $4.5 million of capital expenditures, distributions received of $9.0 million, $0.6 million proceeds received from disposal of assets, deposits paid to the CRA relating to the tax reassessment of $1.6 million and cash used in other investing activities of $1.5 million.

Financing Activities

Cash used for financing activities was $14.5 million for the year ended December 31, 2016 compared to $22.3 million for 2015. The Company made net debt repayments of $21.1 million for the year ended December 31, 2016 compared to $8.1 million in the prior year. Of the $21.1 million repayment in 2016, $13.2 million came from the issuance of shares pursuant to the rights offering. In the year ended December 31, 2016, the Company distributed $2.0 million to its non-controlling interests, paid $3.7 million in interest and repurchased non-controlling interest for $1.0 million.

Outstanding Share Data

As at December 31, 2016 and March 30, 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 December 31, 2016, 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 also 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 also 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	53,609	4,923	46,353	1,933	93	98	209
Operating leases	21,055	5,066	4,712	3,360	3,070	2,511	2,336
	74,664	9,989	51,065	5,293	3,163	2,609	2,545

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 December 31, 2016 and December 31, 2015.

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

Foreign Exchange

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.

Government Programs

The Department of Canadian Heritage's Canada Periodical Fund's Aid to Publishers program provides postal subsidies to eligible Canadian publications, including Western Producer Publications, Farm Business Communications and the Glacier community media group. While this program has been in place for decades, there is no guarantee that this subsidy will continue to be offered.

General Market Conditions

Glacier's community media group generates revenue through the sale of advertising and newspaper subscriptions. As such, it is reliant upon general economic conditions and the spending plans of advertisers. A significant downturn in the national or regional economies may adversely affect revenues, as could significant changes in advertisers' promotional strategies.

Glacier's publications are affected by changes in the prices of purchased supplies, including newsprint.

Although Glacier is well diversified, competition is a continuing risk from existing businesses or new ones in a variety of media formats including print, online, radio and broadcast.

- The community media group publishes newspapers in a variety of communities in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and the United States, and is diversified as a result;
- Glacier FarmMedia, June Warren-Nickle's Energy Group, Evaluate Energy and the Business in Vancouver Media Group publishes a wide variety of publications distributed across Canada;
- Fundata competes with other companies in the financial information market in Canada;
- ERIS provides comprehensive information from a variety of databases regarding potential environmental liability; and
- Glacier disseminates its information in print, online and digital format.

The large North American business information and community media markets continue to offer many growth opportunities for the Company.

Additional information on the Company's business environment and risks is included in the Company's Annual Information Form filed on SEDAR.

Disclosure Controls and Internal Controls over Financial Reporting

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related consolidated financial statements was properly recorded, processed, summarized and reported to the Audit Committee and the Board. The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have evaluated the effectiveness of these disclosure controls and procedures for the year ending December 31, 2016, and have concluded that they are effective.

The CEO and CFO, while acknowledging responsibility for the design of internal controls over financial reporting ("ICFR"), and confirming that there were no changes in these controls that occurred during the most recent year ended December 31, 2016 which materially affected, or are reasonably likely to materially affect, the Company's ICFR and based upon their evaluation of these controls for the year ended December 31, 2016, the CEO and CFO have concluded that these controls are effective. The CEO and CFO have certified such findings and reported to the Audit Committee, which in turn, has included such certification and report in the Audit Committee's recommendation to the Board of Directors. The Board of Directors in passing its resolutions acknowledges that it is basing and relying on such certification and report.

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 not significantly 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 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.

Income Taxes

In accordance with IFRS recommendations, Glacier recognizes future income tax assets when it is more likely than not that the future income tax assets will be realized. This assumption is based on management's best estimate of future circumstances and events. If these estimates and assumptions are changed in the future, the value of the future income tax assets could be reduced or increased, resulting in an income tax expense or recovery. Glacier re-evaluates its future income tax assets on a regular basis.

Retirement Benefit Assets/Obligations

Glacier's defined benefit plan provides both pension and other retirement benefits to certain salaried and hourly employees not covered by industry union plans.

Effective December 31, 2015, the Company made the decision to eliminate future benefit accruals under the defined benefit provision of the plan. Credited Service and final average earnings were permanently set. This change affects all members who were actively accruing benefits in the Plan as at December 31, 2015. Effective January 1, 2016, all eligible employees have joined a new defined contribution plan sponsored by Glacier. The Company also has health care plans covering certain hourly and retired salaried employees. Effective December 31, 2015, the post retirement benefit plan was closed for new retirees. Employees retiring after December 31, 2015, are not eligible for post-retirement benefits. The Company's defined benefit pension plan related to its subsidiary remains unchanged.

Glacier uses independent actuarial firms to perform actuarial valuations of the fair value of pension and other retirement benefit plan obligations. The application of these recommendations requires judgments regarding certain assumptions that affect the accrued benefit provisions and related expenses, including the discount rate used to calculate the present value of the obligations and the assumed health care cost trend rates. Management and the Board of Director's Pension Committee evaluate these assumptions annually based on experience and the recommendations of its actuarial firms. Changes in these assumptions result in actuarial gains or losses, which are recorded in comprehensive income or loss for the year.

Share-Based Payments

The Company provides incentives via share-based payment entitlements. The fair value of entitlements is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the equity instrument, the vesting and performance criteria, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the equity instrument. If certain assumptions used in the fair value calculation were to change, there would be an impact on the statement of operations in future financial periods.

Impairment of Intangible Assets and Goodwill

Goodwill, which is the excess of the purchase price paid for an acquisition over the fair value of the net assets acquired, is not amortized but is assessed annually for impairment or more frequently if events or circumstances indicate that it may be impaired.

Indefinite life intangible assets consisting mainly of mastheads which have an indefinite useful life and are not amortized, but tested annually for impairment or more frequently if impairment indicators arise.

Intangible assets with a finite life, which consist of subscription lists, customer relationships, other intangible assets and software, are reviewed for impairment when the occurrence of events or changes in circumstances indicates that the carrying value of the assets may not be recoverable.

For goodwill and finite life intangible assets, the recoverable amount was determined using five year cash flow budgets approved by management that made maximum use of observable market inputs and outputs. For periods beyond the budget period, cash flows were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry, in the respective CGU or groups of CGUs and taking into account expected future operating results, cost savings achieved through cost savings initiatives, economic conditions and outlook for the industry within which the reporting unit operates.

For indefinite life intangible assets, the recoverable amount was determined using budgeted revenues to determine the relief from royalties that the mastheads and trademarks provide. For periods beyond the budget period, revenues were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry.

The methods are based on many assumptions and estimates that may have a significant impact on the recoverable value of a CGU, and as a result on the amount of impairment recorded, if any. The impact of any significant changes in assumptions and the review of estimates are recognized through profit or loss in the period in which the change occurs.

Based upon the analysis performed in 2016, the Company recorded an impairment of goodwill and indefinite life intangible assets within the in the Prairie Community Media group of CGUs. In 2015, the Company concluded that there was an impairment of goodwill, indefinite life intangible assets and definite life intangible assets within the BC Community Media, Prairie Community Media, Agriculture and Energy, and Other Business Information groups of CGUs.

Fair Value of Business Combinations

On the acquisition of a business, the Company is required to identify and measure the various assets and liabilities acquired. This is based on the estimated fair value of each item acquired with the remainder of the purchase price being recognized as goodwill.

Estimated Useful Lives

Management estimates the useful lives of property, plant and equipment and finite life intangible assets based on the period during which the assets are available for use. The amounts and timing of depreciation and amortization for these assets are affected by useful lives. The estimates are reviewed annually and are updated for changes in the assets' expected useful lives.

March 30, 2017

Independent Auditor's Report

To the Shareholders of Glacier Media Inc.

We have audited the accompanying consolidated financial statements of Glacier Media Inc. and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2016 and December 31, 2015 and the consolidated statements of operations, comprehensive income (loss), changes in equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
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Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Glacier Media Inc. and its subsidiaries as at December 31, 2016 and December 31, 2015 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

(signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31, 2016 and 2015

(Expressed in thousands of Canadian dollars, except share and per share amounts)

	2016	2015
	$	$
Revenue	**198,792**	220,702
Expenses before depreciation and amortization		
Direct expenses (Note 23)	**137,376**	156,004
General and administrative (Note 23)	**42,792**	47,521
	18,624	17,177
Interest expense, net (Note 25)	**3,719**	4,121
Depreciation of property, plant and equipment (Note 11)	**4,660**	5,404
Amortization of intangible assets (Note 12)	**6,742**	8,049
Settlement gain on pension and post-retirement benefits (Note 17)	**-**	(6,388)
Restructuring and other expenses (net) (Note 26)	**4,117**	9,724
Impairment expense (Note 14)	**5,881**	193,953
Share of earnings from joint ventures and associates (Note 9)	**(8,618)**	(10,475)
Net income (loss) before income taxes	**2,123**	(187,211)
Income tax recovery (Notes 18 and 22)	**(1,048)**	(8,380)
Net income (loss) for the year	**3,171**	(178,831)
Net income (loss) attributable to:		
Common shareholders	**1,420**	(152,813)
Non-controlling interests (Note 10)	**1,751**	(26,018)
Net income (loss) per share attributable to common shareholders per share		
Basic and diluted (Note 20)	**0.01**	(1.72)
Weighted average number of common shares		
Basic and diluted	**99,342,554**	89,083,105

See accompanying notes to these consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Years ended December 31, 2016 and 2015

(Expressed in thousands of Canadian dollars)

	2016	2015
	$	$
Net income (loss) for the year	**3,171**	(178,831)
Other comprehensive income (loss) (net of tax) (Note 21)		
Actuarial gain on defined benefit pension plans [(1)]	**2,035**	151
Currency translation adjustment [(2)]	**56**	55
Share of other comprehensive income (loss) from joint ventures and associates[(1)] (Note 9)	**175**	(458)
Other comprehensive income (loss) (net of tax)	**2,266**	(252)
Total comprehensive income (loss)	**5,437**	(179,083)
Total comprehensive income (loss) attributable to:		
Common shareholders	**3,427**	(153,060)
Non-controlling interests	**2,010**	(26,023)

[(1)] Recorded directly in retained earnings (deficit).
[(2)] Recycles through the consolidated statement of operations in current and future periods.

See accompanying notes to these consolidated financial statements

GLACIER MEDIA INC.

CONSOLIDATED BALANCE SHEETS
As at December 31, 2016 and 2015

(Expressed in thousands of Canadian dollars)

	2016	2015
	$	$
Assets		
Current assets		
Cash and cash equivalents	**3,612**	4,249
Trade and other receivables (Note 8)	**38,668**	39,817
Inventory	**4,079**	4,151
Prepaid expenses	**2,409**	2,554
	48,768	50,771
Non-current assets		
Investments in joint ventures and associates (Note 9)	**67,240**	67,456
Other assets (Note 18)	**24,755**	23,503
Post-employment benefit asset (Note 17)	**1,601**	-
Property, plant and equipment (Note 11)	**31,749**	34,401
Intangible assets (Note 12)	**39,914**	47,323
Goodwill (Note 13)	**37,976**	40,007
Total assets	**252,003**	263,461
Liabilities		
Current liabilities		
Trade and other payables (Note 15)	**27,738**	29,106
Deferred revenue	**11,087**	11,706
Current portion of long-term debt (Note 16)	**4,923**	6,421
Other current liabilities	**270**	1,421
	44,018	48,654
Non-current liabilities		
Non-current portion of deferred revenue	**1,038**	1,592
Other non-current liabilities	**2,061**	2,406
Post-employment benefit obligations (Note 17)	**-**	1,288
Long-term debt (Note 16)	**48,686**	68,183
Deferred income taxes (Note 22)	**3,726**	4,764
Total liabilities	**99,529**	126,887
Equity		
Share capital (Note 19)	**211,802**	198,605
Contributed surplus	**8,951**	8,951
Accumulated other comprehensive loss (Note 21)	**(15)**	(69)
Deficit	**(87,387)**	(90,760)
Total equity attributable to common shareholders	**133,351**	116,727
Non-controlling interests (Note 10)	**19,123**	19,847
Total equity	**152,474**	136,574
Total liabilities and equity	**252,003**	263,461

See accompanying notes to these consolidated financial statements

Approved by the Directors

"Jonathon J.L. Kennedy"
Jonathon J.L. Kennedy, Director

"Bruce W. Aunger"
Bruce W. Aunger, Director

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years ended December 31, 2016 and 2015

(Expressed in thousands of Canadian dollars, except share amounts)

	Attributable to common shareholders							
	Share capital		Contributed	Accumulated other comprehensive	Retained earnings		Non-controlling	Total
	Shares	Amount	surplus	(loss) income	(deficit)	Total	interest	equity
		$	$	$	$	$	$	$
Balance, December 31, 2015	89,083,105	198,605	8,951	(69)	(90,760)	116,727	19,847	136,574
Net income for the year	-	-	-	-	1,420	1,420	1,751	3,171
Other comprehensive income (net of tax)	-	-	-	54	1,953	2,007	259	2,266
Total comprehensive income for the year	-	-	-	54	3,373	3,427	2,010	5,437
Issuance of common shares	20,745,626	13,197	-	-	-	13,197	-	13,197
Repurchase of non-controlling interests	-	-	-	-	-	-	285	285
Non-controlling interest on disposition	-	-	-	-	-	-	(267)	(267)
Distributions to non-controlling interests	-	-	-	-	-	-	(2,752)	(2,752)
Balance, December 31, 2016	**109,828,731**	**211,802**	**8,951**	**(15)**	**(87,387)**	**133,351**	**19,123**	**152,474**
Balance, December 31, 2014	89,083,105	198,605	8,951	(122)	65,915	273,349	50,712	324,061
Net loss for the year	-	-	-	-	(152,813)	(152,813)	(26,018)	(178,831)
Other comprehensive loss (net of tax)	-	-	-	53	(300)	(247)	(5)	(252)
Total comprehensive loss for the year	-	-	-	53	(153,113)	(153,060)	(26,023)	(179,083)
Dividends declared on common shares	-	-	-	-	(3,562)	(3,562)	-	(3,562)
Repurchase of non-controlling interests	-	-	-	-	-	-	(217)	(217)
Non-controlling interest on acquisition	-	-	-	-	-	-	226	226
Distributions to non-controlling interests	-	-	-	-	-	-	(4,851)	(4,851)
Balance, December 31, 2015	89,083,105	198,605	8,951	(69)	(90,760)	116,727	19,847	136,574

See accompanying notes to these consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2016 and 2015

(Expressed in thousands of Canadian dollars)

	2016	2015
	$	$
Operating activities		
Net income (loss)	**3,171**	(178,831)
Items not affecting cash		
Depreciation of property, plant and equipment	**4,660**	5,404
Amortization of intangible assets	**6,742**	8,049
Settlement gain on pension and post-retirement benefits	**-**	(6,388)
Impairment expense (Note 14)	**5,881**	193,953
Employee future benefit expense (less than) in excess of employer contributions	**(125)**	608
Deferred income tax recovery	**(1,792)**	(8,380)
Interest expense (Note 25)	**3,806**	4,173
Share of earnings from joint ventures and associates (Note 9)	**(8,618)**	(10,475)
Other non-cash items	**723**	1,056
Cash flow from operations before changes in non-cash operating accounts	**14,448**	9,169
Changes in non-cash operating accounts		
Trade and other receivables	**2,070**	8,842
Inventory	**61**	281
Prepaid expenses	**142**	(418)
Trade and other payables	**(3,765)**	(2,519)
Deferred revenue	**(1,173)**	(2,587)
Cash generated from operating activities	**11,783**	12,768
Investing activities		
Acquisitions, inclusive of assumed and related financing liabilities	**-**	(6,443)
Net cash (disposed of) acquired on (disposition) acquisitions	**(279)**	137
Investments in joint ventures and associates (Note 9)	**(20)**	1,931
Other investing activities	**(1,184)**	(1,290)
Proceeds from disposal of assets (Note 7)	**623**	23,401
Distributions received from joint ventures and associates (Note 9)	**9,029**	8,667
Deposits paid (Note 18)	**(1,574)**	(15,681)
Purchase of property, plant and equipment (Note 11)	**(2,563)**	(3,000)
Purchase of intangible assets (Note 12)	**(1,911)**	(2,170)
Cash generated from investing activities	**2,121**	5,552
Financing activities		
Distribution to non-controlling interests	**(1,985)**	(4,107)
Issuance of common shares (Note 19)	**13,200**	-
Dividends paid	**-**	(5,344)
Interest paid	**(3,653)**	(4,091)
Repurchase of non-controlling interests	**(957)**	(584)
Net repayment of long-term debt (Note 16)	**(21,146)**	(8,137)
Cash used in financing activities	**(14,541)**	(22,263)
Net cash used	**(637)**	(3,943)
Cash and cash equivalents, beginning of year	**4,249**	8,192
Cash and cash equivalents, end of year	**3,612**	4,249

See accompanying notes to these consolidated financial statements

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

1. General business description

Glacier Media Inc. ("Glacier" or the "Company") is an information & marketing solutions company pursuing growth in sectors where the provision of essential information and related services provides high customer utility and value. The related "go to market" strategy is being implemented through two operational areas: content and marketing solutions; and data, analytics and intelligence

The Company is incorporated under the Canada Business Corporations Act, with common shares listed on the Toronto Stock Exchange ("TSX"). The address of its head office is 2188 Yukon Street, Vancouver, British Columbia.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of consolidated financial statements.

These consolidated financial statements have been approved by the Board of Directors for issue on March 30, 2017.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention.

(b) Principles of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company and the results of all controlled entities. Controlled entities are those entities over which the Company has i) the power to govern the financial and operating policies, ii) the right to receive benefits from that entity and iii) the ability to use its operating decisions to alter the benefits received. These criteria are generally met by having a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. In addition, for consolidation purposes, factors may exist where one may consolidate without having more than 50% of the voting power through ownership or agreements, or in the circumstances of enhanced minority rights, as a consequence of *de facto* control. *De facto* control is control without the legal right to exercise unilateral control, and involves decision making ability that is not shared with others and the ability to give direction with respect to the operating and financial policies of the entity concerned. Where control of a subsidiary ceases during a financial year, its results are included up to the point in the year when control ceases.

All inter-company balances, transactions and unrealized profits resulting from inter-company transactions have been eliminated. Where control of an entity is acquired during a financial year, its results are included in the consolidated statement of operations from the date on which control commences.

3. Significant accounting policies (continued)

Non-controlling interests
Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net income (loss) and comprehensive income (loss) is recognized in equity. Changes in the parent company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Associates
Associates are entities over which the Company has significant influence but not control. Generally, the Company has a voting shareholding of between 20% and 50% of the voting rights in its associates. Investments in associates are accounted for using the equity method as follows:

- Investments are initially recognized at cost.
- Associates include goodwill and intangible assets identified on acquisition, net of any accumulated impairment loss.
- The Company's share of its associates' post-acquisition profits or losses is recognized in the consolidated statement of operations.
- Dividends and distributions receivable from associates reduce the carrying amount of the investment.
- The Company's liability with respect to its associates is limited to its net investment and it has no obligation to fund any subsequent losses should they arise.

Joint arrangements
Joint arrangements are entities over which the Company has joint control with one or more unaffiliated entities. The Company classifies its joint arrangements as joint ventures and accounts for them using the equity method of accounting. The Company records its investment in its joint ventures as follows:

- Investments are initially recognized at cost.
- Joint ventures include goodwill and intangible assets identified on acquisition, net of any accumulated impairment loss.
- The Company's share of its joint ventures' post-acquisition profits or losses is recognized in the consolidated statement of operations.
- Dividends and distributions receivable from joint ventures reduce the carrying amount of the investment.
- The Company's liability with respect to its joint ventures is limited to its net investment and has no obligation to fund any subsequent losses should they arise.
- Subsequent investments are recognized at cost and increase the carrying amount. When control is attained, the investment is recognized at fair value.

(c) Foreign currency

Functional and presentation currency
The consolidated financial statements are presented in Canadian dollars, which is Glacier's functional currency.

The financial statements of entities that have a functional currency different from that of Glacier ("foreign operations") are translated into Canadian dollars as follows: assets and liabilities at the closing rate at the date of the balance sheet, and income and expenses at the average rate. All resulting changes are recognized in the statement of other comprehensive income (loss) as currency translation adjustments.

3. Significant accounting policies (continued)

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency balances are translated at the year-end exchange rate. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statement of operations.

(d) Revenue recognition

Revenue from the sale of single copy newspapers are recognized when products are delivered in accordance with the terms of the customer contract.

Subscription revenue is recognized as each of the applicable products are delivered. Subscription revenue for which consideration has been received in advance and is attributable to future products is deferred until such updates or issues are delivered.

Advertising revenue is recognized upon publication of the editions in which the advertisements appear.

Revenue from printing and publishing services is recognized when the production process is completed in accordance with the terms of the printing and publishing contracts. Amounts collected or billed in excess of revenue recognized are recorded as deferred revenue.

Digital advertising revenue is recognized upon publication of the advertisement on the website. Digital subscription revenue is recognized on a straight-line basis over the term of the subscription contract.

Data product and data service revenue is recognized when the products or services are delivered in accordance with the terms of the customer contract.

Event revenue is recognized when the event is held. Event revenue for which consideration has been received in advance is deferred until the event has taken place.

(e) Income taxes

Tax expense is comprised of current and deferred tax. Tax is recognized in the consolidated statement of operations except to the extent it relates to items recognized directly in equity, in which case the related tax is recognized in equity.

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

3. Significant accounting policies (continued)

Deferred tax is accounted for using a temporary difference approach and is the tax expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheets and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply to the year of realization or settlement based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The Company’s investment tax credits are subject to uncertainty as to the timing of the usage in the future. The Company has unrecognized investment tax credits which will be recognized as part of the provision for income taxes as utilization of the credits is incurred and considered probable.

Deferred tax liabilities are not recognized on temporary differences that arise from goodwill. Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination, and at the time of transaction, affects neither accounting or tax profit.

(f) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits, and investments with an original maturity at the date of purchase of three months or less.

(g) Inventory

Inventory consists of newsprint, publishing supplies and work in progress amounts relating to certain publications. These amounts are stated at the lower of cost and net realizable value.

Costs are assigned to inventory quantities on hand at the balance sheet date using either the average cost or a first-in, first-out basis, based on the nature of the inventory. Cost is comprised of material, labour and an appropriate proportion of fixed and variable overhead. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

(h) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Costs directly attributable to the acquisition or construction of property, plant and equipment, including internal labour and interest, are also capitalized as part of the cost.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of operations during the financial year in which they are incurred.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

3. Significant accounting policies (continued)

Depreciation
Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Buildings	20 – 40 years
Production equipment	3 – 25 years
Office equipment and fixtures	3 – 15 years
Leased equipment	3 – 15 years
Leasehold improvements	5 – 20 years

The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant components and depreciates separately each such component.

Leasehold improvements are depreciated on a straight-line basis over the lesser of their useful life and the term of the lease.

The assets' residual values, method of depreciation and useful lives are reviewed and adjusted, if appropriate, at least annually. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the consolidated statement of operations.

(i) Identifiable intangible assets

Upon acquisition, identifiable intangible assets are recorded at fair value. The carrying values of all intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Additionally, the carrying values of identifiable intangible assets with indefinite lives are tested annually for impairment. Impairment is determined by comparing the recoverable amount of such assets with their carrying amounts. The Company evaluates impairment losses for potential reversals when events or changes in circumstances warrant such consideration.

Trademarks and mastheads
Trademarks and newspaper mastheads are initially recorded at fair value. The trademarks and mastheads have been assessed to have indefinite useful lives. Accordingly, they are not amortized and are tested for impairment annually or when there is a change in circumstances that indicates that the carrying value may not be recoverable, and are carried at cost less accumulated impairment losses. For purposes of impairment testing the fair value of trademarks and mastheads is determined using the relief from royalty method.

The Company's trademarks and mastheads operate in established markets with limited restrictions and are expected to continue to complement the Company's media initiatives. On this basis, the Company has determined that trademarks and mastheads have indefinite lives as there is no foreseeable limit to the period over which the assets are expected to generate cash flows for the Company.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

3. Significant accounting policies (continued)

Other identifiable intangible assets
Other identifiable intangible assets consist of subscription lists, customer relationships and other intangible assets and are recorded at cost. Subscription lists and customer relationships are amortized on a straight-line basis over their expected useful life of 3 to 15 years. Other identifiable intangible assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Computer software and websites
Acquired computer software licences are capitalized as an intangible asset, as are internal and external costs directly incurred in the purchase or development of computer software and websites, including subsequent upgrades and enhancements when it is probable that they will generate future economic benefits attributable to the consolidated entity. These costs are amortized using the straight-line method over their expected useful lives of 2 to 5 years.

(j) Goodwill

Goodwill represents the excess of the consideration of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary, joint venture or associate at the date of acquisition. Goodwill on acquisitions of joint ventures and associates is included in investments in joint ventures and associates. Goodwill is not amortized. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(k) Impairment of non-financial assets

Non-financial assets are tested for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. An impairment charge is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of an asset's fair value less costs to dispose and value in use.

Goodwill is reviewed for impairment annually or at any time if an indicator of impairment exists. For the purposes of impairment testing, goodwill acquired through a business combination is allocated to each cash generating unit ("CGU") or group of CGUs that are expected to benefit from the related business combination. A group of CGUs represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Non-financial assets, other than goodwill, that suffer impairment are evaluated for possible reversal of the impairment when events or circumstances warrant such consideration.

(l) Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

3. Significant accounting policies (continued)

Assets acquired under finance leases are included as property, plant and equipment in the consolidated balance sheet. Finance leases are capitalized at lease inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. A corresponding liability is also established and each lease payment is allocated between the liability and finance charges. The interest element is charged to the consolidated statement of operations over the period of the lease.

Leased assets are depreciated in the same manner as property, plant and equipment that are owned, on a straight-line basis, net of their residual values, over their estimated useful lives. Where there is not reasonable certainty that the consolidated entity will obtain ownership of the leased asset by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Other leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments, excluding contingent payments, are charged to expense on a straight-line basis over the period of the lease term unless another systematic basis is more representative of the time pattern of the Company's benefit.

(m) Provisions

Provisions for restructuring costs and legal claims, where applicable, are recognized in trade and other payables when the Company has a legal, equitable or constructive obligation to make a future outflow of economic benefits to others as a result of past transactions or past events, it is probable that a future outflow of economic benefits will be required, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. Provisions are not recognized for future operating losses.

(n) Employee pension and other post-employment benefits

The Company has defined benefit plans that provide both pension and other retirement benefits to certain salaried and hourly employees not covered by industry union plans.

A liability or asset in respect of the defined benefit pension plans and certain other post-employment benefit plans is recognized in the consolidated balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension fund's assets. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated by independent actuaries using the projected unit credit method.

Actuarial gains and losses are recognized in full in the year in which they occur, in other comprehensive income (loss) and retained earnings (deficit) without recycling through the consolidated statement of operations in subsequent years. The interest income on plan assets, the return on plan assets greater (less) than the discount rate and the interest on the pension liability are included in the same line items in the consolidated statement of operations as the related compensation expense.

3. Significant accounting policies (continued)

(o) Share based payment

The fair value of share purchase warrants are recognized as a compensation expense with a corresponding increase in contributed surplus within the Company's equity. The fair value is measured at the grant date and recognized over the period during which the warrants vest.

The fair value at the grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the warrants, the vesting and performance criteria, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the warrant.

(p) Government grants

Income based government grants provided to offset an expense are recorded as a decrease in the expense in the year in which the expense is incurred. Any amounts due from the government for qualifying expenses are recorded in trade receivables. Any amounts received in advance are recorded in current liabilities until the related expense is incurred. There are no other types of grants.

(q) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

(r) Dividends

Dividends on common shares are recognized as a liability in the Company's consolidated financial statements when the dividends are declared by the Board of Directors of the Company.

(s) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing profit or loss attributable to equity holders of the Company, excluding any costs to service equity other than common shares, by the weighted average number of common shares outstanding during the year.

Diluted earnings per share
Diluted earnings per share is calculated by adjusting the weighted average shares outstanding for dilutive instruments. The number of shares included with respect to equity instruments is computed using the treasury stock method.

(t) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as interest expense in the consolidated statement of operations in the year in which they are incurred.

3. Significant accounting policies (continued)

(u) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported on the consolidated balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments into the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Derivatives are also included in this category unless they are designated as hedges. The only instruments held by the Company classified in this category are interest rate swaps and foreign exchange forward contracts. The Company has no such instruments as at December 31, 2016.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the consolidated statement of operations. Gains and losses arising from changes in fair value are presented in the consolidated statement of operations within other gains and losses in the year in which they arise. Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which is classified as non-current.

(ii) Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. The Company's available-for-sale assets comprise marketable securities and investments in other equity instruments.

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are subsequently measured at cost. Gains or losses arising from changes in fair value are recognized in other comprehensive income. Available-for-sale investments are classified as non-current, unless the investment matures within twelve months, or management expects to dispose of them within twelve months.

Interest on available-for-sale investments, calculated using the effective interest method, is recognized in the consolidated statement of operations as part of interest income. Dividends on available-for-sale equity instruments are recognized in the consolidated statement of operations as part of other gains and losses when the Company's right to receive payment is established. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the consolidated statement of operations and are included in other gains and losses.

3. Significant accounting policies (continued)

(iii) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise cash and cash equivalents and trade and other receivables, and are included in current assets due to their short-term nature.

Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

(iv) Financial liabilities at amortized cost: Financial liabilities at amortized cost include trade and other payables, other current liabilities and short-term and long-term debt. Trade and other payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade and other payables are measured at amortized cost using the effective interest method. Short and long-term debt are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

(v) Derivative financial instruments: The Company may use derivatives in the form of interest rate swaps and foreign exchange forward contracts to manage risks related to its variable rate debt and fluctuations in the value of the U.S. dollar. All derivatives are classified as held-for-trading and are included on the consolidated balance sheet at their fair value. Interest rate swaps are included within long-term debt and foreign exchange forward contracts are included within trade and other receivables, and are classified as current or non-current based on the contractual terms specific to the instrument. Gains and losses on re-measurement of the interest rate swap are included in interest income or expense and on foreign exchange forward contracts are included in unrealized gains or losses on derivative financial instruments. The Company does not have any interest rate swaps or foreign exchange forward contracts as at December 31, 2016 and 2015.

The Company does not designate any of its derivative instruments as accounting hedges in accordance with IAS 39 and does not apply hedge accounting.

(v) Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such impairment exists, the Company records the expense as follows:

(i) Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate.

The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

(ii) Available-for-sale financial assets: The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the consolidated statement of operations. This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to net income.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

3. Significant accounting policies (continued)

Impairment losses on financial assets carried at amortized cost are reversed in subsequent years if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

4. New accounting standards

There were no new accounting standards that were applied for the year ended December 31, 2016.

5. Accounting standards issued but not yet applied

In May 2014, the International Accounting Standards Board ("IASB") 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 not significantly 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 impacted by the new standard and will result in lease expenses being presented as depreciation and finance expenses. Net income is likely to be impacted 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.

6. Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill and assets with indefinite and finite lives

In accordance with the accounting policy stated in Note 3(k), the Company annually tests whether goodwill and intangible assets with indefinite lives have incurred any impairment based on the recoverable value of a CGU. The recoverable value is determined using discounted future cash flow models or market-based valuation models.

The discounted future cash flow model incorporates assumptions regarding future events, specifically future cash flows, budgeted revenues to determine the relief from royalties, growth rates and discount rates. Future cash flow projections are determined using certain industry, economic and market trends which represent management's best estimate as to future results. The recoverable value is also affected by the discount rate, the weighted average cost of capital, future growth rates and tax rates, which may or may not occur, resulting in the need for future revisions of estimates.

The market-valuation model estimates the fair value of the CGU by using a multiple of normalized revenues and normalized results before amortization, depreciation, interest, tax and other items. The multiple is determined by evaluating multiples for similar transactions in the marketplace.

The methods are based on many assumptions and estimates that may have a significant impact on the recoverable value of a CGU and, as a result, on the amount of impairment recorded, if any. The impact of any significant changes in assumptions and the review of estimates are recognized through profit or loss in the period in which the change occurs. There are also judgements involved in determination of CGUs and groups of CGUs. Refer to Note 14.

When indicators of impairment exists, the Company reviews finite life intangible assets and property, plant and equipment for impairment. The method for estimating impairment is consistent with goodwill and intangible assets with indefinite lives, as noted above.

(b) Retirement benefit assets/obligations

The asset/liability in respect of the defined benefit pension plans are calculated as the defined benefit obligation less plan assets and other adjustments. The methodology utilized by the Company to determine the benefit obligation is consistent with the prior year. Judgement and estimates used by the Company in determining the benefit obligation include interest rate, return on assets and health care trend rates.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

6. Critical accounting estimates and judgements (continued)

(c) Income taxes

The Company is subject to income taxes in Canada and in certain of its foreign operations. Management has estimated the income tax provision and deferred income tax balances in accordance with its interpretation of the various income tax laws and regulations including expected tax rate and timing of the deferred tax balance. It is possible, due to the complexity inherent in estimating income taxes that the tax provision and deferred income tax balances could change.

(d) Utilization of tax losses

The recognition of income tax assets (Notes 18(a)(i) and 22), including those in associates, related to the utilization of non-capital losses and other tax attributes requires significant judgement and is subject to uncertainty as to the timing and ability to utilize the losses and other tax attributes in the future.

(e) Fair value assessment of business combinations

On the acquisition of a business, the Company is required to identify and measure the various assets and liabilities acquired. This is based on the estimated fair value of each item acquired with the remainder of the purchase price being recognized as goodwill.

(f) Estimated useful lives

Management estimates the useful lives of property, plant and equipment and finite life intangible assets based on the period during which the assets are available for use. The amounts and timing of depreciation and amortization for these assets are affected by the useful lives. The estimates are reviewed annually and are updated for changes in the expected useful life.

(g) Consolidation of entities

Management uses judgements and assumptions in determining which entities the Company consolidates in its financial statements where the Company does not have greater than 50% of the voting shares.

7. Acquisitions and disposals

(a) In September 2016, the Company sold its interest in a community media operation. A non-cash gain on sale of $0.8 million was recognized in the year.

(b) In April 2016, the Company purchased the remaining ownership interest in Evaluate Energy Ltd. (“Evaluate”) for a purchase price of $1.0 million. The Company recognized $1.3 million of goodwill and a change in non-controlling interest of $0.3 million.

(c) In December 2015, the Company sold land and building properties in Sechelt, Squamish and Winnipeg. Net proceeds of $2.7 million were generated through a sale lease-back transaction. The Company recognized a $0.7 million gain on sale.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

7. Acquisitions and disposals (continued)

(d) In December 2015, the Company disposed of the majority of its ownership interest in Grant Street Properties Inc. The Company's ownership interest was reduced to 1% from 18% in 2014. The Company previously accounted for this investment as an associate. The remaining investment value of $0.1 million is now accounted for as an Other Investments in non-current assets. Proceeds on the sale of shares were $2.0 million which resulted in $0.1 million gain on sale.

(e) In October 2015, the Company acquired TRS Aerials ("TRS") based in Austin, Texas for a purchase price of $1.7 million. Cash consideration paid was $1.0 million. The remaining purchase price of $0.7 million was deferred and recorded in current and non-current liabilities as at December 31, 2015. The assets acquired include $0.5 million of goodwill and software and masthead intangible assets of $1.2 million.

(f) In April 2015, the Company completed the acquisition of an additional 2% interest in Weather INnovations Network ("WIN"). As a result, the Company acquired control of this operation and recognized $3.2 million of intangible assets, $0.3 million of goodwill, $1.2 million of property plant and equipment, $1.7 million of net working capital and $0.2 million of other liabilities. The Company had a deemed disposition of its equity investment in this operation of $3.2 million. Total consideration paid for the acquisition was $0.1 million. The Company recognized $2.8 million of non-controlling interest.

In September 2015, the Company purchased an additional 34% interest for total consideration of $2.1 million. The Company reduced its non-controlling interest by $2.1 million.

(g) In March 2015, the Company completed the asset acquisition of certain community media assets. The total consideration for these assets was $4.3 million. The assets acquired included $1.1 million of mastheads and $3.2 million of customer relationships.

The Company completed the disposition of certain community media assets. The total consideration for these assets was $1.3 million.

(h) In January 2015, the Company sold certain of its business information media publications and related assets located in Toronto for proceeds of $19.7 million. The related assets and liabilities were considered to be held for sale as at December 31, 2014 and were presented as discontinued operations.

8. Trade and other receivables

(thousands of dollars)	**2016**	2015
	$	$
Trade receivables	**39,746**	41,067
Allowance for doubtful accounts	**(1,078)**	(1,250)
	38,668	39,817

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

9. Investments in joint ventures and associates

Set out below are the joint ventures and associates of the Company for the years ended December 31, 2016 and 2015. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Company. All of these entities are accounted for using the equity method.

Name of entity	Principal place of business	% ownership interest	Nature of relationship	Principal activities
Continental Newspapers Ltd. (1)	British Columbia	28%	Associate	Community media
Fundata Canada Inc.	Ontario	50%	Joint venture	Financial information
Great West Newspapers LP	Alberta	50%	Joint venture	Community media
InfoMine Inc.	British Columbia	50%	Associate	Mining information
PostVue Publishing LP	British Columbia	20%	Associate	Community media
Rhode Island Suburban Newspapers, Inc. (1)	Rhode Island, USA	48%	Joint venture	Community media
1294739 Alberta Ltd. (2)	British Columbia	59%	Associate	Community media
Borden Bridge Development Corporation	Saskatchewan	50%	Joint venture	Land investment

(1) These entities have a March 31 year-end.

(2) The Company does not have control over this investment as it does not have a majority of members on the Board of Directors, nor does it have voting control over the entity.

The Company has aggregated the presentation of summarized financial information into joint ventures and associates.

The Company's joint ventures have been aggregated into one group as they operate in similar business environments and markets, the joint venture agreements contain substantially similar terms and represent similar business risks for the Company and are organized in a similar manner within the Company's corporate and regulatory structure.

The Company's associates have been aggregated into one group as they operate in similar business environments and markets, the agreements between the Company and its associates contain substantially similar terms and represent similar business risks for the Company and are organized in a similar manner within the Company's corporate and regulatory structure.

The summarized financial information has been amended to reflect adjustments made by the Company when using the equity method, including modifications for differences in accounting policy.

	Joint ventures		Associates	
(thousands of dollars)	**2016**	2015	**2016**	2015
	$	$	**$**	$
Current assets				
Cash and cash equivalents	**10,879**	11,929	**2,686**	3,428
Other current assets	**16,633**	22,770	**5,745**	9,188
Non-current assets	**58,123**	59,872	**93,194**	99,384
Current liabilities				
Current financial liabilities				
(excluding trade and other payables)	**(7,188)**	(9,819)	**(1,592)**	(1,516)
Other current liabilities	**(16,180)**	(20,668)	**(9,692)**	(11,813)
Non-current liabilities	**(5,607)**	(10,480)	**(20,557)**	(22,610)
Net assets	**56,660**	53,604	**69,784**	76,061

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

9. Investments in joint ventures and associates (continued)

(thousands of dollars)	Joint ventures **2016**	Joint ventures 2015	Joint ventures **2016**	Associates 2015
	$	$	**$**	$
Reconciliation of net assets:				
Opening net assets	**53,604**	52,825	**76,061**	85,178
Income (loss) for the year	**19,605**	20,551	**(2,670)**	(4,852)
Other comprehensive income (loss)	**(316)**	2,151	**297**	(773)
Dividends paid	**(15,702)**	(15,428)	**(4,259)**	(3,492)
Derecognition of investments in joint ventures and associates	**-**	(6,431)	**-**	-
Other	**(531)**	(64)	**355**	-
Closing net assets	**56,660**	53,604	**69,784**	76,061
Revenue	**76,779**	81,496	**51,366**	61,989
Depreciation and amortization	**3,978**	4,404	**896**	2,250
Interest income	**(5)**	(507)	**-**	-
Interest expense	**566**	1,686	**868**	3,483
Income tax expense	**4,099**	4,731	**894**	41
Income (loss) for the year	**19,605**	20,551	**(2,670)**	(4,852)
Other comprehensive income (loss)	**(316)**	2,151	**297**	(773)
Total comprehensive income (loss)	**19,289**	22,702	**(2,373)**	(5,625)
Dividends received by the Company from joint ventures and associates	**(7,851)**	(7,701)	**(1,178)**	(966)

In addition to the interest in joint ventures and associates disclosed above, the Company also has interests in a number of individually immaterial associates that are accounted for using the equity method.

(thousands of dollars)	**2016**	2015
	$	$
Aggregate net assets of individually immaterial associates	**364**	285
Aggregate amounts of the Company's share of:		
Income for the year	**(123)**	1,127
Total comprehensive income	**(123)**	1,127

The Company's share of the joint ventures and associates consists of the following:

(thousands of dollars)	**2016**	2015
	$	$
Balance, beginning of year	**67,456**	102,764
Acquisition (derecognition) of investments in joint ventures and associates (a)	**20**	(5,167)
Share of earnings for the year	**8,618**	10,475
Share of other comprehensive income (loss) for the year (net of tax)	**175**	(458)
Distributions and dividends received and other equity movements	**(9,029)**	(8,667)
Impairment of investments in joint ventures and associates (Note 14)	**-**	(31,491)
Balance, end of year	**67,240**	67,456

(a) Derecognition of investments in joint ventures and associates, net of acquisitions

(i) In April 2015, the Company completed the acquisition of an additional 2% interest in Weather INnovations Network. Refer to Note 7 (f).

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

9. Investments in joint ventures and associates (continued)

(ii) In December 2015, the Company disposed of the majority of its ownership interest in Grant Street Properties Inc. Refer to Note 7 (d).

10. Subsidiaries, affiliated entities and non-controlling interests

The Company operates a number of private and public entities whose primary business is information communications. The Company owns or is affiliated with the following entities with material non-controlling interests:

Name of entity	Principal place of business	Principal activities
Alta Newspaper Group LP	Alberta	Community media
GVIC Communications Corp.	British Columbia	Information communications
Weather INnovations Consulting LP	Ontario	Weather Information

The Company's non-controlling interests range from 3% to 40%.

In April 2016, the Company repurchased the remaining 40% non-controlling interest in Evaluate Energy Ltd ("Evaluate"). As at December 31, 2016, Evaluate is wholly owned by the Company.

During the year ended December 31, 2015, the Company repurchased the remaining 3% non-controlling interest in Prairie Newspaper Group LP ("PNG"). As at December 31, 2015, PNG is wholly owned by the Company.

The following is summarized financial information for subsidiaries and affiliates that have non-controlling interests that are material to the Company. The amounts disclosed are before inter-company eliminations.

(thousands of dollars)	**2016**	2015
	$	$
Summarized balance sheets		
Current assets	**51,936**	52,322
Non-current assets	**232,899**	296,463
Current liabilities	**(50,941)**	(56,236)
Non-current liabilities	**(112,633)**	(126,479)
Net assets	**121,261**	166,070
Summarized statements of comprehensive (loss) income		
Revenue	**224,962**	248,882
Income (loss) for the year	**4,228**	(232,590)
Other comprehensive income (loss)	**2,966**	(249)
Total comprehensive income (loss)	**7,194**	(232,839)
Profit (loss) allocated to non-controlling interest	**842**	(26,908)
Dividends paid to non-controlling interest	**1,009**	3,666
Summarized cash flows		
Cash flows from operating activities	**20,082**	20,974
Cash flows from investing activities	**1,518**	7,400
Cash flows from financing activities	**(21,230)**	(28,478)
Net increase (decrease) in cash and cash equivalents	**370**	(104)

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

11. Property, plant and equipment

(thousands of dollars)	Land	Buildings	Production equipment	Office equipment and leaseholds	Total
	$	$	$	$	$
Cost					
Balance at January 1, 2015	5,463	14,552	46,769	23,007	89,791
Additions	-	251	357	2,656	3,264
Acquisitions on business combinations	-	-	1,103	104	1,207
Disposals	(1,277)	(2,044)	(581)	(329)	(4,231)
Impairment (Note 14)	-	-	(12,232)	(385)	(12,617)
Balance at December 31, 2015	4,186	12,759	35,416	25,053	77,414
Additions	58	890	570	1,045	2,563
Disposals	(147)	(390)	(650)	(57)	(1,244)
Balance at December 31, 2016	**4,097**	**13,259**	**35,336**	**26,041**	**78,733**
Accumulated depreciation					
Balance at January 1, 2015	-	2,252	27,925	17,085	47,262
Depreciation	-	496	2,350	2,558	5,404
Disposals	-	(481)	(267)	(273)	(1,021)
Impairment (Note 14)	-	-	(8,407)	(225)	(8,632)
Balance at December 31, 2015	-	2,267	21,601	19,145	43,013
Depreciation	-	508	2,078	2,074	4,660
Disposals	-	(52)	(579)	(58)	(689)
Balance at December 31, 2016	**-**	**2,723**	**23,100**	**21,161**	**46,984**
Carrying amounts					
At December 31, 2015	4,186	10,492	13,815	5,908	34,401
At December 31, 2016	**4,097**	**10,536**	**12,236**	**4,880**	**31,749**

As at December 31, 2016, the Company had land and buildings with a net book value of $1.9 million classified as held for sale. The fair value of the assets is at or close to net book value.

During the year ended December 31, 2015, the Company recorded a net write-down of $4.0 million due to the closure of Printwest, the Company's printing operations in Saskatoon.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

12. Intangible assets

The Company has various intangible assets including customer relationships, subscription lists, mastheads, software, websites, copyrights and trademarks. Of these, certain mastheads and trademarks are considered to have an indefinite life and therefore are not amortized.

Intangible assets are as follows:

	Indefinite life	Finite life				
(thousands of dollars)	Mastheads and Trademarks	Copyrights	Customer relationships	Subscription lists	Software and websites	Total
	$	$	$	$	$	$
Cost						
Balance at January 1, 2015	51,142	10,199	51,980	3,851	19,166	136,338
Additions	-	-	-	-	2,170	2,170
Acquisitions on business combinations	1,171	-	5,600	-	1,160	7,931
Disposals	(140)	-	(75)	(130)	(126)	(471)
Foreign exchange revaluation	(16)	-	(128)	-	-	(144)
Balance at December 31, 2015	52,157	10,199	57,377	3,721	22,370	145,824
Additions	-	-	15	-	1,896	1,911
Acquisitions on business combinations	-	-	-	275	-	275
Disposals	-	-	-	-	(203)	(203)
Foreign exchange revaluation	9	-	(115)	-	3	(103)
Balance at December 31, 2016	**52,166**	**10,199**	**57,277**	**3,996**	**24,066**	**147,704**
Accumulated amortization and impairment losses						
Balance at January 1, 2015	3,619	10,169	25,909	2,829	14,681	57,207
Amortization	-	30	5,301	155	2,563	8,049
Disposals	-	-	(36)	-	(85)	(121)
Impairment (Note 14)	22,777	-	10,580	-	9	33,366
Balance at December 31, 2015	26,396	10,199	41,754	2,984	17,168	98,501
Amortization	-	-	4,023	310	2,409	6,742
Disposals	-	-	-	-	(62)	(62)
Impairment (Note 14)	2,609	-	-	-	-	2,609
Balance at December 31, 2016	**29,005**	**10,199**	**45,777**	**3,294**	**19,515**	**107,790**
Carrying amounts						
At December 31, 2015	25,761	-	15,623	737	5,202	47,323
At December 31, 2016	**23,161**	**-**	**11,500**	**702**	**4,551**	**39,914**

13. Goodwill

The Company has goodwill related to various business combinations as follows:

(thousands of dollars)	2016	2015
	$	$
Balance, beginning of year	**40,007**	164,270
Acquisition on business combinations	**1,241**	1,111
Disposition	**-**	(263)
Impairment (Note 14)	**(3,272)**	(125,111)
Balance, end of year	**37,976**	40,007

14. Impairment

In 2016 and 2015, the Company conducted its annual impairment test of goodwill and indefinite life intangible assets. The Company used the aggregate recoverable amount of the assets included in each cash generating unit or group of CGUs and compared it to their respective carrying amounts. The recoverable amount is based on the greater of the value in use and the fair value less costs to dispose of the CGUs or groups of CGUs.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

14. Impairment (continued)

The Company also reviewed indicators of impairment on its finite life intangible assets in both 2016 and 2015, and identified certain customer relationship assets that required additional testing. The Company did not impair any of its finite life intangible assets in 2016.

For goodwill and finite life intangible assets, the recoverable amount was determined using five year cash flow budgets approved by management that made maximum use of observable market inputs and outputs. For periods beyond the budget period, cash flows were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry, in the respective CGU or groups of CGUs and taking into account expected future operating results, cost savings achieved through cost savings initiatives, economic conditions and outlook for the industry within which the reporting unit operates.

For indefinite life intangible assets, the recoverable amount was determined using budgeted revenues to determine the relief from royalties that the mastheads and trademarks provide. For periods beyond the budget period, revenues were extrapolated using expected future growth rates taking into consideration historical rates and projected future structural changes to the industry.

Key assumptions for all CGUs or groups of CGUs included in the 2016 testing are: annual cash flow growth rates of 0.0% - 2.0% (2015: 0.0% - 2.0%), royalty rates of 3.5% (2015: 3.5%), annual revenue growth rates of 0.0% - 3.0% (2015: 0.0% - 3.0%) and pre-tax discount rates of 16.0% - 16.4% (2015: 16.0% - 16.4%).

Certain community media CGUs and groups of CGUs were impacted by economic and structural factors. As a result of generally weak economic conditions mainly in Western Canada, specifically in the oil and gas affected areas, as well as structural changes in the community media industry in general, advertising revenues continue to be adversely affected during the year. The media industry as a whole is facing the maturation of traditional print advertising. As a result of these declines, the Company recorded impairment expense as described below.

(thousands of dollars)	**BC Community Media**	**Prairie Community Media**	**Agriculture and Energy**	**Other Business Information**	**Total**
	$	**$**	**$**	**$**	**$**
2015 Impairment					
Goodwill (Note 13)	44,917	69,205	8,912	2,077	125,111
Indefinite life intangible assets (Note 12)	13,949	3,327	4,760	741	22,777
Finite life intangible assets (Note 12)	3,138	1,318	5,648	485	10,589
Property, Plant and equipment (Note 11)	-	3,985	-	-	3,985
Investments in joint ventures and associates (Note 9)	7,662	18,751	-	5,078	31,491
	69,666	96,586	19,320	8,381	193,953
2016 Impairment					
Goodwill (Note 13)	**-**	**3,272**	**-**	**-**	**3,272**
Indefinite life intangible assets (Note 12)	**-**	**2,609**	**-**	**-**	**2,609**
	-	**5,881**	**-**	**-**	**5,881**

In its assessment of the recoverable amounts of the groups of CGUs, the Company performed a sensitivity analysis of the discount rates, revenue and EBITDA assumptions. The results of the sensitivity analysis show that a 0.5% increase and 0.5% decrease in the discount rates would have an impact of approximately $1.4 million and $1.5 million on the impairment expense, respectively, a 0.5% increase and 0.5% decrease in revenue would have an impact of approximately $0.1 million and $0.1 million on the impairment expense, respectively, and a 0.5% increase and 0.5% decrease in EBITDA would have an impact of approximately $0.1 million and $0.1 million on the impairment expense, respectively.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

14. Impairment (continued)

The allocation of remaining goodwill and indefinite life intangible assets by group of CGUs is as follows:

(thousands of dollars)	**Goodwill**	**Indefinite life intangible assets**
	$	**$**
2015		
BC Community Media	1,577	7,128
Prairie Community Media	9,551	7,164
Agriculture and Energy	28,369	9,086
Other Business Information	510	2,383
	40,007	25,761
2016		
BC Community Media	**1,577**	**7,128**
Prairie Community Media	**6,280**	**4,555**
Agriculture and Energy	**29,611**	**9,086**
Other Business Information	**508**	**2,392**
	37,976	**23,161**

Impairment has no cash flow impact.

15. Trade and other payables

(thousands of dollars)	**2016**	2015
	$	$
Trade payables	**3,522**	7,311
Accrued liabilities	**24,216**	21,795
	27,738	29,106

All trade payables are due within ninety days of year end.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

16. Long-term debt

The Company has the following long-term debt outstanding:

(thousands of dollars)	2016	2015
	$	$
Current		
ANGLP non-recourse debt (c)	**3,847**	3,847
Term bank loan (b)	**1,000**	2,500
Mortgages and other loans	**76**	74
	4,923	6,421
Non-current		
Revolving bank loan (a)	**33,965**	41,400
Term bank loan (b)	**8,750**	17,040
ANGLP non-recourse debt (c)	**5,692**	9,489
Mortgages and other loans	**602**	680
Deferred financing costs	**(323)**	(426)
	48,686	68,183
	53,609	74,604

Changes to the Company's debt obligation were as follows:

(thousands of dollars)	2016	2015
	$	$
Balance, beginning of year	**74,604**	82,664
Additional borrowings	**-**	29,150
Financing charges (net)	**151**	77
Repayment of debt	**(21,146)**	(37,287)
Balance, end of year	**53,609**	74,604

Under various financing arrangements with its banks, the Company is required to meet certain covenants. The Company was in compliance with all covenants at December 31, 2016 and December 31, 2015.

During the year ended December 31, 2016, the Company amended its current banking agreement, extending it to December 8, 2018. The terms of the amendment were substantially the same as under the previously existing agreement. The Company intends to renegotiate the debt facility before maturity.

(a) Revolving bank loan

Glacier has a revolving bank loan facility with a syndicate of major Canadian banks which requires no principal repayments during its term and matures on December 8, 2018. The maximum that can be drawn on the amended facility is dependent on the Company's debt to earnings ratio. The facility bears interest at varying rates based on the prevailing bankers' acceptance rate plus an acceptance fee which ranges from 2.25% to 3.25% or the bank prime rate plus 1.25% to 2.25%, depending on Glacier's debt to earnings ratio. The facility is secured by a general security agreement including fixed and floating charges over all of Glacier's and its subsidiaries' assets.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

16. Long-term debt (continued)

(b) Term bank loan

Glacier has a $10.0 million term bank loan facility with a syndicate of major Canadian banks which requires annual principal repayments of $1.0 million, paid quarterly, and matures on December 8, 2018. The Term bank loan bears interest at the same rate as the revolving bank loan.

(c) Alta Newspaper Group Limited Partnership ("ANGLP")

ANGLP entered into separate senior term loan facilities with a company that is related, due to common ownership, to Glacier. This debt is non-recourse to the Company. The facility requires monthly payments of $0.3 million plus interest and will be fully repaid at maturity on July 31, 2019.

The facilities bear interest at varying rates based on the prevailing bankers' acceptance rate plus an acceptance fee which ranges from 2.75% to 3.50% or the bank prime rate plus 1.38% to 2.13%, depending on ANGLP's debt to earnings ratio. The facilities are secured by a charge over the property of ANGLP.

The total repayment of principal on interest-bearing debt obligations is as follows:

(thousands of dollars)	2017	2018	2019	2020	2021	Thereafter	**Total**
	$	$	$	$	$	$	**$**
Long-Term Debt	4,923	46,353	1,933	93	98	209	**53,609**

17. Post employment benefit obligations

The Company has defined benefit pension plans which cover certain employees. These plans provide pensions based on length of service and final average annual earnings. Effective December 31, 2015, the Company eliminated future benefit accruals under the defined benefit provision of the plan for certain employees. Credited Service and final average earnings were permanently set. This change affects all members who were actively accruing benefits in the Plan as at December 31, 2015. Effective January 1, 2016, all eligible employees joined a new defined contribution plan sponsored by Glacier. The Company also has health care plans covering certain retired employees. Effective December 31, 2015, the post retirement benefit plan was closed for new retirees. Employees retiring after December 31, 2015, are not eligible for post retirement benefits. Information about the Company's salaried pension plans and other non-pension benefits, in aggregate, is as detailed in the following.

The defined benefit plans are operated in Canada and are funded arrangements where benefit payments are made from plan assets which are held in trust. The pension committee, which reports to the Board of Directors, is responsible for the governance of the plans including investment and contribution decisions. The registered defined benefit pension plans have regulation set minimum requirements for contributions.

Actuarial valuations are performed every three years, or sooner based on management's discretion, for the defined benefit pension plans. The plans underwent actuarial valuations for funding purposes, which were completed in 2016.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

17. Post employment benefit obligations (continued)

In January 2015, the Company sold certain business information media publications and related assets located in Toronto. Certain of these publications had employees which participated in the Company's defined benefit pension and other benefit plans. The pension and other benefit liability at December 31, 2014 relating to these employees remain a liability of the Company; however, these employees do not accrue current service costs going forward. As a result, during the year ended December 31, 2015, the Company recognized a $4.8 million non-cash settlement gain.

During the year ended December 31, 2015, the Company recognized a $1.6 million non-cash settlement gain on the pension and post-retirement benefits as result of the decision to eliminate, for all members, future benefit accruals under the defined benefit provision of the plan and the closure of the post retirement benefit plan for new retirees.

The status of the net defined benefit obligation is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2016**	2015	**2016**	2015
	$	$	**$**	$
Present value of benefit obligation	**(40,142)**	(42,215)	**(722)**	(803)
Fair value of plan assets	**42,465**	41,730	**-**	-
Net benefit asset (obligation)	**2,323**	(485)	**(722)**	(803)

The movement in the defined benefit obligation is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2016**	2015	**2016**	2015
	$	$	**$**	$
Balance, beginning of year	**42,215**	46,092	**803**	3,646
Current service cost	**-**	547	**-**	22
Interest cost on the defined benefit obligation	**1,708**	1,732	**29**	56
Plan participants' contributions	**16**	185	**-**	-
Actuarial loss	**149**	128	**23**	-
Benefits paid from plan assets	**(3,946)**	(2,890)	**(133)**	(112)
Effect of settlement and curtailment	**-**	(3,579)	**-**	(2,809)
Balance, end of year	**40,142**	42,215	**722**	803

The movement in the fair value of the plan assets for the year is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2016**	2015	**2016**	2015
	$	$	**$**	$
Beginning of year	**41,730**	42,470	**-**	-
Interest income on plan assets	**2,294**	1,397	**-**	-
Return on plan assets greater than discount	**2,141**	328	**-**	-
Employer contributions	**230**	240	**133**	112
Plan participants' contributions	**16**	185	**-**	-
Benefits paid	**(3,946)**	(2,890)	**(133)**	(112)
Balance, end of year	**42,465**	41,730	**-**	-

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

17. Post employment benefit obligations (continued)

The total expense recognized in the consolidated statement of operations is as follows:

	Pension benefit plans		Other benefit plans	
(thousands of dollars)	**2016**	2015	**2016**	2015
	$	$	**$**	$
Current service cost	**-**	547	**-**	22
Net interest on defined benefit liability	**209**	224	**29**	56
Settlement gain	**-**	(3,579)	**-**	(2,809)
Other	**(2,201)**	(368)	**23**	-
	(1,992)	(3,176)	**52**	(2,731)

The estimation of post-retirement benefit obligations involves a high degree of judgement for matters such as discount rate, employee service periods, rate of compensation increases, expected retirement ages of employees, expected health-care costs and other variable factors. These estimations are reviewed annually with independent actuaries and are based on industry standards over a number of years. The significant actuarial assumptions used to determine the balance sheet date defined benefit assets, liabilities and expenses are as follows:

	Pension benefit plans		Other benefit plans	
	2016	2015	**2016**	2015
Benefit obligations:				
Discount rate	**3.75%**	4.00%	**3.75%**	4.00%
Rate of compensation increases [1][2]	**-**	3.00%	**-**	3.00%
Net benefit expense:				
Discount rate	**4.00%**	4.00%	**4.00%**	4.00%
Rate of compensation increases [1][2]	**-**	3.00%	**-**	3.00%

[1] Actual compensation increases differ from those used in the actuarial assumptions.
[2] Assumptions for compensation increases are not required subsequent to the closure of the plan.

The assumed trend in health care costs was as follows:

	Other benefit plans	
	2016	2015
Initial health care cost trend rate	**7.00%**	6.00%
Annual rate of decline in trend rate	**0.50%**	1.00%
Ultimate health care trend rate	**5.00%**	5.00%
Year ultimate rate is reached	**2020**	2016

The impact of a change in these assumptions on the post-retirement obligation is as follows:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(4,924)	5,786
Rate of compensation increases	1.00%	-	-

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

17. Post employment benefit obligations (continued)

Assumed health care costs trend rates have a significant effect on the amounts reported for the other benefit plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(112)	68
Heath care trend rates	1.00%	11	(12)

Each sensitivity has been calculated on the basis that all other variables remain consistent. The same methodology is applied when generating the asset/liability in the financial statements as is used in calculating the defined benefit obligation.

In addition to the significant assumptions listed in the table above, as at December 31, 2016, the weighted average duration of the defined benefit plan and the other benefit plans is 15.2 years (2015: 18.7 years) and 12.4 years (2015: 11.7 years), respectively.

Expected contributions to the benefit plans for the year ended December 31, 2017 are $0.8 million. As at December 31, 2016, the accumulated actuarial losses recognized in other comprehensive income were $3.4 million (2015: $5.5 million).

The Company has determined that the minimum funding requirement for past service is determined at the measurement date based on the remaining schedule payments with respect to any funding deficit disclosed in the most recently filed actuarial valuation report. For greater clarity, these payments are not to be adjusted to reflect gains or losses that occurred during the period between the valuation date and the measurement date or future changes in the contribution requirements due to actuarial valuation reports to be filed after the measurement date.

A minimum funding requirement for past service exists only if the Company has an obligation to fund a pension deficit in cash. A minimum funding requirement for past service may be reduced or eliminated by the amount that may be secured by letters of credit.

The plan assets are comprised of:

	Acceptable range	Normal policy	**2016**	2015
Canadian equities	20% - 90%	75%	**54%**	47%
International equities	0% - 40%	15%	**31%**	38%
Fixed income and cash and cash equivalents	10% - 80%	10%	**15%**	15%
		100%	**100%**	100%

Risk management practices

The defined benefit pension plans' investments are exposed to various risks. These risks include market risk (which includes interest rate risk), credit risk and liquidity risk. The pension committee manages these risks in accordance with a Statement of Investment Policies and Procedures. The following are some specific risk management practices employed by the Company:

- Monitoring the assets and net cash flow of the fund;
- Monitoring adherence to the asset allocation guidelines, the current asset mix and permitted categories of investments; and
- Monitoring performance and management of the fund and managers against relative objectives.

18. Contingencies and commitments

(a) The Company has the following guarantees and contingencies at December 31, 2016:

(i) During 2014-2016 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 2008-2015. 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 $53.3 million.

The affiliate has filed notices of objection with the CRA and provincial taxing authorities. In connection with filing the notice of objections, the affiliate is required to make a 50% deposit of the amounts claimed by the CRA and provincial authorities as assessed. The affiliate has paid the required deposit of $21.8 million of which $1.6 was paid during 2016. No further amounts are due at this time for the 2008-2014 taxation years as the appeal process continues. These payments have been recorded as other assets, within non-current assets, as the Company and its affiliate expect to ultimately be successful in its objection.

The affiliate has filed a notice of objection with the CRA relating to its 2015 year. The affiliate will be required to make a $1.1 million deposit, 50% of amounts claimed by the CRA as assessed. The affiliate will pay the required deposit during 2017.

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.

If the affiliate is successful in defending its positions, the deposits made plus applicable interest will be refunded to the affiliate. There is no assurance that the affiliate's objections and appeals will be successful. If the CRA and provincial tax authorities are successful, the affiliate will be required to pay the remaining balance of taxes owing plus applicable interest, and will be required to write-off any remaining tax assets relating to reassessed amounts.

(ii) In connection with certain dispositions of assets and/or businesses, the Company and/or its affiliates have indemnified the purchasers in the event that a third party asserts a claim against the purchaser that relates to a liability retained by the Company. These types of indemnification guarantees typically extend for a number of years. The Company is unable to estimate the maximum potential liability for these indemnifications as the underlying agreements do not always specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Company and its other affiliates have not made any significant indemnification payments under such agreements and no amount has been accrued in the consolidated balance sheet with respect to these indemnification guarantees.

(iii) An affiliate entity has been named as a co-defendant in a series of disputes, investigations and legal proceedings relating to transactions between Sun Times Media Group Inc. (formerly Hollinger International Inc.) ("Sun Times") and certain former officers and directors of Sun Times and its affiliates. The ultimate outcome of these proceedings to the affiliated entity is not determinable.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

18. Contingencies and commitments (continued)

(iv) The Company and certain of its affiliates have also been named as defendants in certain legal actions incurred in the normal course of business, none of which management believes will have a material impact on the results of operations and financial position of the Company.

No provisions have been recorded for these items as at December 31, 2016 or December 31, 2015.

(b) The Company and its subsidiaries have entered into operating leases for premises and office equipment which expire on various dates up to 2026.

The minimum annual lease payments are required as follows:

	2017	2018	2019	2020	2021	Thereafter	**Total**
	$	$	$	$	$	$	**$**
Operating leases	5,066	4,712	3,360	3,070	2,511	2,336	**21,055**

The Company's share of its joint ventures and associates' minimum lease payments is $0.6 million (2015: $0.3 million), due through 2021.

19. Share capital

At December 31, 2016 and 2015, the Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares.

At December 31, 2016, the Company has 109,828,731 (2015: 89,083,105) common shares outstanding. At December 31, 2016 and 2015, the Company did not have any preferred shares issued.

During the year ended December 31, 2016, the Company completed a rights offering which closed on July 4, 2016. Under the offering, 20,745,626 common shares were issued for net proceeds of $13.2 million.

	Number of common shares	**Amount**
		$
Balance, January 1, 2015	89,083,105	198,605
Shares issued	-	-
Balance, December 31, 2015	89,083,105	198,605
Balance, January 1, 2016	89,083,105	198,605
Shares issued	20,745,626	13,197
Balance, December 31, 2016	**109,828,731**	**211,802**

For the year ended December 31, 2015, the Company declared dividends of $0.04 per share and paid dividends of $0.06 per share, due to the fact that some dividends declared in 2014 were paid in 2015. In August 2015, the Company amended its dividend policy to cease the payment of dividends.

At December 31, 2016, the Company has 1,115,000 warrants outstanding allowing the holder to purchase one common share per warrant at $4.48 per share. The warrants will expire on June 28, 2019, unless extended.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

20. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is calculated by dividing the net earnings (loss) available to common shareholders by the weighted average number of common shares during the year using the treasury stock method. Under this method, proceeds from the potential exercise of equity instruments are assumed to be used to purchase the Company's common shares. Earnings (losses) used in determining earnings (loss) per share are presented below.

	Earnings	Shares	Per share
2016	**$**		**$**
Basic earnings per share			
Earnings	**1,420**	**99,342,554**	**0.01**
Effect of dilutive securities	-	-	-
Diluted earnings per share:			
Net Earnings	**1,420**	**99,342,554**	**0.01**

	Loss	Shares	Per share
2015	$		$
Basic loss per share			
Loss	(152,813)	89,083,105	(1.72)
Effect of dilutive securities	-	-	-
Diluted loss per share:			
Net Loss	(152,813)	89,083,105	(1.72)

21. Other comprehensive income

The components of other comprehensive income, net of tax, are as follows:

	Accumulated other comprehensive loss			Retained deficit			
(thousands of dollars)	Equity securities classified as available for sale	Cumulative translation adjustment	Total	Actuarial (losses) gain on defined benefit plans	Total	Non-controlling interest	Total comprehensive loss
	$	$	$	$	$	$	$
Balance, December 31, 2015	-	(69)	(69)	(2,938)	(2,938)	(90)	(3,097)
Actuarial gain on defined benefit plans	-	-	-	1,783	1,783	252	2,035
Cumulative translation adjustment	-	54	54	-	-	2	56
Share of other comprehensive income from joint ventures and associates	-	-	-	170	170	5	175
Other comprehensive income for the year			54		1,953	259	2,266
Balance, December 31, 2016	-	**(15)**	**(15)**	**(985)**	**(985)**	**169**	**(831)**
Balance, December 31, 2014	-	(122)	(122)	(2,638)	(2,638)	(85)	(2,845)
Actuarial gain on defined benefit plans	-	-	-	145	145	6	151
Cumulative translation adjustment	-	53	53	-	-	2	55
Share of other comprehensive loss from joint ventures and associates	-	-	-	(445)	(445)	(13)	(458)
Other comprehensive loss for the year			53		(300)	(5)	(252)
Balance, December 31, 2015	-	(69)	(69)	(2,938)	(2,938)	(90)	(3,097)

Other comprehensive income items that do not recycle through the consolidated statement of operations in future periods are recorded directly in retained earnings (deficit).

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

21. Other comprehensive loss (continued)

Other comprehensive loss items are reported net of the following tax effects:

(thousands of dollars)	2016	2015
	$	$
Income tax effect of:		
Actuarial gain on defined benefit plans	**(726)**	(49)
Share of other comprehensive (income) loss from joint ventures and associates	**(61)**	160

22. Income taxes

Income tax recovery is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual rate used for the year ended December 31, 2016 was 26.0% (2015: 26.0%). The components of income tax recovery are shown in the following table:

(thousands of dollars)	2016	2015
	$	$
Current tax	**744**	-
Deferred tax	**(1,792)**	(8,380)
Income tax recovery	**(1,048)**	(8,380)

The tax on the Company's net income (loss) before tax differs from the amount that would arise using the weighted average tax rate applicable to consolidated profits of the Company as follows:

(thousands of dollars)	2016	2015
	$	$
Net income (loss) before income taxes	**2,123**	(187,211)
Tax rate	**26.0%**	26.0%
	552	(48,675)
Non-deductible expenses and other	**61**	1,344
Impairment of assets	**959**	40,133
Income from joint ventures and associates and non-controlling interest	**(1,537)**	(1,905)
Adjustment in respect of prior years	**(648)**	723
Recognition of previously unrecognized tax assets	**(435)**	-
Income tax recovery	**(1,048)**	(8,380)

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

22. Income taxes (continued)

The Company's net deferred tax liability consists of the following:

(thousands of dollars)	2016	2015
	$	$
Deferred Tax Assets:		
Available non-capital losses and other tax deductions	**762**	1,072
Long-term investments	**163**	163
Intangible assets	**1,210**	1,242
	2,135	2,477
Deferred Tax Liabilities:		
Property, plant and equipment	**(5,426)**	(6,679)
Pension asset and post-retirement benefit	**(403)**	1,261
Deferred income and other	**(32)**	(1,823)
	(5,861)	(7,241)
	(3,726)	(4,764)

The Company has recognized non-capital tax loss of approximately $2.3 million (2015: $5.6 million) that can be carried forward and may be used to reduce future years' net income for tax purposes from the Canadian tax jurisdictions.

The Company has recognized SR&ED expenditures of $nil (2015: $1.1 million).

The Company also has unrecognized investment tax credits of $4.6 million (2015: $5.9 million) that can be carried forward to be used to reduce future years' federal tax payable. The credit carryforwards, if unused, expire between 2019 and 2025.

Refer to Note 18 regarding the contingency relating to the CRA reassessment.

23. Expense by nature

(thousands of dollars)	2016	2015
	$	$
Wages and benefits (Note 24)	**96,431**	107,072
Newsprint, ink and other printing costs	**21,503**	26,772
Delivery costs	**16,132**	19,220
Rent, utilities and other property costs	**8,656**	11,015
Advertising, marketing and other promotion costs	**8,795**	9,051
Third party production and editorial costs	**12,226**	12,739
Legal, bank, insurance and professional services	**5,564**	6,553
Data services, system maintenance, telecommunications and software licences	**5,608**	5,944
Fees, licences and other services	**2,324**	2,478
Event costs	**2,048**	2,064
Other	**881**	617
	180,168	203,525
Direct expenses	**137,376**	156,004
General and administrative expenses	**42,792**	47,521
	180,168	203,525

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

24. Wages and employee benefits expense

(thousands of dollars)	2016	2015
	$	$
Salaries and wages	**84,161**	94,260
Pension and benefit plan costs	**10,997**	11,889
Other	**1,273**	923
	96,431	107,072

Compensation awarded to key management for the year consists of salaries and short-term benefits of $4.4 million (2015: $4.6 million). As at December 31, 2016, there were termination benefits payable to key management of $0.2 million. Key management includes the Company's directors, officers and divisional managers.

25. Net interest expense

The net interest expense for the years ended December 31, 2016 and 2015 is comprised of:

(thousands of dollars)	2016	2015
	$	$
Interest income	**(87)**	(52)
Interest expense	**3,806**	4,173
Net interest expense	**3,719**	4,121

26. Restructuring and other expenses (net)

(thousands of dollars)	2016	2015
	$	$
Restructuring expenses (a)	**4,178**	7,859
Transaction and transition costs (b)	**538**	2,357
Other expenses (income) (net)	**215**	(71)
Net gain on sale of assets	**(814)**	(421)
	4,117	9,724

(a) Restructuring expenses

During the year ended December 31, 2016, restructuring expenses of $4.2 million were recognized (2015: $7.9 million). Restructuring expenses includes severance costs of $3.1 million (2015: $6.3 million) incurred as the Company restructured and reduced its workforce. Restructuring expenses also includes inventory and working capital write-offs and other amounts related to the closure and sale of certain community media and printing assets.

Included in restructuring expenses for the year ended December 31, 2015, was $3.5 million related to the sale and closure of Printwest, the Company's printing operations in Saskatoon, $2.9 million related to the restructuring of the Company's community media assets in B.C. including reductions in the number of titles and editions and $1.5 million of other initiatives.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

26. Restructuring and other expenses (net) (continued)

(b) Transaction and transition costs

The Company incurred costs related to its acquisitions and divestitures completed in 2016 and 2015. These costs include both the costs of completing the transactions and the costs of integrating these new operations into the Company. Transaction costs include legal, accounting, due diligence, consulting and general acquisition costs. Transition costs include information technology costs, transitional staffing requirements, service fees paid to the vendor during the transition period and other costs directly related to the operational integration of the newly acquired businesses, as well as any closing costs associated with the closure or divestiture of operations.

27. Related party transactions

In addition to other related party disclosures in the consolidated financial statements, the Company has the following related parties with which it completed transactions:

(a) During the year ended December 31, 2016, the Company and its affiliates recorded administration, consulting, interest and other expenses of $1.1 million (2015: $1.1 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.

The expenses for the related party transactions include:

(thousands of dollars)	**2016**	2015
	$	$
Interest (i)	**461**	418
Consulting and administration fees (ii)	**493**	477
Office, telephone and other (iii)	**59**	175
Directors fees (iv)	**53**	54
	1,066	1,124

(i) For the year ended December 31, 2016, $0.5 million (2015: $0.4 million) represents interest expense incurred by a subsidiary company on its borrowings, which was paid by Madison and reimbursed by the subsidiary. Due to the nature of the subsidiary financing, Madison is the direct and guarantor borrower for these borrowings. Madison charges a fee of 1% for the guarantee, which was $0.1 million (2015: $0.1 million) for the year.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

27. Related party transactions (continued)

(ii) Consulting and administration fees are charged by Madison for services related to transaction work, tax and financial planning, strategic planning and administration and are at rates consistent with those charged by third parties for similar services.

(iii) Certain of the Company's officers and management shared office space with Madison during the year and paid fees related to their proportionate share of the utilities, telephones and other office services.

(iv) The Company paid directors fees to Madison for the Company's non-management directors who are shareholders of Madison. These fees are the same amounts as those paid to the other independent directors.

(b) During the year ended December 31, 2016, the Company paid its joint venture Great West Newspapers LP ("GWNLP") for printing services as part of its normal operations. These services were provided at an agreed upon value. Total printing charged to the Company for the year was $0.4 million (2015: $0.3 million).

At December 31, 2016, $2.0 million (2015: $2.9 million) was due to GWNLP for printing services and other amounts plus accrued interest on the outstanding balance.

(c) During the year ended December 31, 2016, the Company charged management fees to its joint venture, Fundata Canada Inc. for management services as part of its normal operations. Total fees charged by the Company for the year were $0.3 million (2015: $0.3 million).

(d) During the year ended December 31, 2016, the Company received interest from its joint venture, RISN, on a loan that was fully paid off in 2016. The loan was made to fund historical acquisitions. Total interest charged to RISN for the year was USD $0.1 million (2015: USD $0.1 million). At December 31, 2016 the loan balance was $ nil (2015: USD $0.6 million).

(e) During the year ended December 31, 2016, the Company had amounts due from Infomine Inc. of $1.9 million (2015: $0.7 million). These amounts were non-interest bearing and were due on demand. These amounts were included in other assets.

(f) During the year ended December 31, 2016, a subsidiary of the Company received fee income of $0.2 million (2015: $0.2 million) related to the provision of a guarantee on the debt of one of the Company's associates.

(g) At December 31, 2016, the Company had amounts due from an associate of $5.2 million (2015: $5.2 million) relating to non-operating advances. These amounts are non-interest bearing and have no fixed terms of repayment. These amounts are included in trade receivables.

(h) In December 2015, the Company disposed of the majority of its ownership interest in Grant Street Properties Inc. The Company's ownership interest was reduced to 1% from 18% in 2014. The Company previously accounted for this investment as an associate. The remaining investment value of $0.1 million is now accounted for as an Other Investments in non-current assets. Proceeds on the sale of shares were $2.0 million which resulted in $0.1 million gain on sale.

In December 2015, the Company sold land and building properties to Grant Street Properties Inc. in Sechelt, Squamish and Winnipeg. Net proceeds of $2.7 million were generated through a sale lease-back transaction. The Company recognized a $0.7 million gain on sale.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

28. Segment disclosure

The Company and its subsidiaries operate in two distinct operating segments mainly throughout Canada and the United States. These segments are Business Information (which includes the Agriculture and Energy and Other Business Information group of CGUs) and Community Media (which includes the BC Community Media and Prairie Community Media group of CGUs). Business Information includes the Company's business to business content, marketing solutions and data information products. The community media segment includes the Company's community media assets and related digital and printing operations. The Company's assets are mainly located in Canada, along with some operations and joint ventures located in the United States and the United Kingdom.

The Company's chief operating decision makers review operating results and base decisions on information that includes both its directly owned operations and its joint ventures. Therefore, the Company presents its segments based on its adjusted results which include its share of the revenues, expenses, assets and liabilities from its joint ventures. A reconciliation of the segment disclosure to the statement of operations and balance sheet is provided below.

The following segment information is as at December 31, 2016 and December 31, 2015 and for the years ended December 31, 2016 and 2015:

(thousands of dollars)	**Business Information**	**Community Media**	**Total Operations**	**Differential(1)**	**IFRS Total**
For the year ended December 31, 2016	**$**	**$**	**$**	**$**	**$**
Revenue					
Canada	**84,140**	**130,640**	**214,780**	**(26,706)**	**188,074**
United States	**10,718**	**10,620**	**21,338**	**(10,620)**	**10,718**
	94,858	**141,260**	**236,118**	**(37,326)**	**198,792**
Divisional earnings before interest, taxes, depreciation, and amortization	**18,387**	**21,779**	**40,166**	**(13,620)**	**26,546**
Centralized and corporate expenses			**7,922**	**-**	**7,922**
			32,244	**(13,620)**	**18,624**
Depreciation and amortization			**13,763**	**(2,361)**	**11,402**
Restructuring and other expense			**4,128**	**(11)**	**4,117**
Impairment expense			**5,881**	**-**	**5,881**
Net interest expense			**3,998**	**(279)**	**3,719**
Share of (earnings) loss from joint ventures and associates			**447**	**(9,065)**	**(8,618)**
Income tax (recovery) expense			**877**	**(1,925)**	**(1,048)**
Net income for the year			**3,150**	**21**	**3,171**
Depreciation and amortization	**4,469**	**9,294**	**13,763**	**(2,361)**	**11,402**
Capital expenditures	**2,648**	**2,587**	**5,235**	**(761)**	**4,474**

(1) Represent the differential between the IFRS consolidated results and the consolidated results of the Company including its share of its joint ventures.

(thousands of dollars)	Business Information	Community Media	Total Operations	Differential(1)	IFRS Total
For the year ended December 31, 2015	$	$	$	$	$
Revenue					
Canada	88,811	152,755	241,566	(28,655)	212,911
United States	7,791	10,676	18,467	(10,676)	7,791
	96,602	163,431	260,033	(39,331)	220,702
Divisional earnings before interest, taxes, depreciation, and amortization	20,713	20,282	40,995	(14,923)	26,072
Centralized and corporate expenses			8,895	-	8,895
			32,100	(14,923)	17,177
Depreciation and amortization			16,211	(2,758)	13,453
Restructuring and other expense			9,940	(216)	9,724
Impairment expense			193,953	-	193,953
Net interest expense			4,704	(583)	4,121
Settlement gain on pension and post-retirement benefits (Note 16)			(6,388)	-	(6,388)
Share of earnings from joint ventures and associates			(860)	(9,615)	(10,475)
Income tax recovery			(5,766)	(2,614)	(8,380)
Net loss for the year			(179,694)	863	(178,831)
Depreciation and amortization	4,889	11,322	16,211	(2,758)	13,453
Capital expenditures	1,154	5,953	7,107	(1,937)	5,170

(1) Represent the differential between the IFRS consolidated results and the consolidated results of the Company including its share of its joint ventures.

29. Financial instruments

Financial risk management

The Company's activities result in exposure to a variety of financial risks, including risks relating to foreign exchange, credit, liquidity and interest rate risks. Details of these risks, how they arise and the objectives and policies for managing them are described as follows:

(a) Market risk

(i) Foreign exchange 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.

An assumed $0.01 increase in the USD/CAD foreign exchange rate during the year ended December 31, 2016 would have a $0.0 million (2015: $0.0 million) impact on pre-tax net income. An assumed $0.01 decrease would have an equal but opposite effect on pre-tax net income.

(ii) Interest rate risk

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. Where appropriate, the Company has in the past and may in the future enter into derivative transactions to fix its interest rates.

An assumed 100 basis points increase in interest rates during the year ended December 31, 2016 would have a $0.5 million (2015: $0.6 million) impact on pre-tax net income (loss). An assumed 100 basis points decrease would have had an equal but opposite effect on pre-tax net income (loss).

(b) Credit risk

Credit risk is risk of financial loss to the Company if a customer, a deposit taking institution, or a third party to a derivative instrument fails to meet its contractual obligation.

The Company holds its cash and cash equivalents at major Canadian financial institutions in order to minimize the risk of default on the Company's cash position.

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 and returns, which are estimated based on past experience, specific risks associated with the customer and other relevant information.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

29. Financial instruments (continued)

The Company is protected against any concentration of credit risk through its products, broad clientele and geographic diversity. As at December 31, 2016, no single customer accounts for more than 5% of consolidated trade receivables.

Management regularly monitors trade receivable aging and customer credit limits, performs credit reviews and provides allowances for potentially uncollectible trade receivables. The amounts disclosed in the consolidated balance sheets are net of allowances for doubtful accounts. The Company establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of trade receivables. Trade receivables are impaired when there is evidence that collection is unlikely. At December 31, 2016, the Company had trade receivables of $38.7 million (2015: $39.8 million), net of allowance for doubtful accounts of $1.1 million (2015: $1.3 million).

Based on the historical payment trend of the customers, the Company believes that this allowance for doubtful accounts is sufficient to cover the risk of default.

The Company is also exposed to credit-related losses in the event of non-performance by counterparties to derivative instruments. The Company manages its counterparty risk by only entering into derivative contracts with major financial institutions with high credit ratings assigned by international credit-rating agencies as counterparties.

The maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents, trade receivables and the credit risk of counter parties relating to the Company's derivatives.

		2016		2015
	Gross	**Impairment**	Gross	Impairment
	$	**$**	$	$
Not past due	**21,303**	**(11)**	23,569	(13)
Past due 0 - 30 days	**9,158**	**(20)**	9,185	(22)
Past due 30 - 60 days	**4,101**	**(37)**	3,998	(43)
Past due > 60 days	**5,184**	**(1,010)**	4,315	(1,172)

The movement in the allowance for impairment in respect of loans and receivables during the year was as follows:

(thousands of dollars)	**2016**	2015
	$	$
Balance, beginning of year	**(1,250)**	(2,240)
Impairment loss, net of recoveries	**172**	990
Balance, end of year	**(1,078)**	(1,250)

(c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations on a current basis. The Company is exposed to liquidity risk with respect to trade payables, long-term debt, derivatives, contractual obligations and contingencies; see Notes 15, 16 and 18 for repayment terms of the Company's financial liabilities.

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

29. Financial instruments (continued)

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.

Fair value

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 table below shows the fair value and the carrying value of other financial instruments as at December 31, 2016 and 2015.

The fair value 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.

(thousands of dollars)	**2016**	2015
	$	$
Carrying values:		
Assets		
Loans and receivables		
Cash and cash equivalents	**3,612**	4,249
Trade and other receivables	**38,668**	39,817
	42,280	44,066
Available for sale		
Other investments (at cost)	**415**	415
Other investments (at fair value)	**174**	174
	589	589
Liabilities		
Amortized cost		
Trade payables	**3,522**	7,311
Other current liabilities	**270**	1,421
Long-term debt	**53,609**	74,604
	57,401	83,336

Fair Value (continued)

	2016	2015
	$	$
Fair values:		
Assets		
Other investments (at fair value)	**174**	174
Liabilities		
Long-term debt	**53,609**	74,604

(Amounts in tables expressed in thousands of Canadian dollars, except share and per share amounts)

29. Financial instruments (continued)

Fair value hierarchy

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 table below shows financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data.

2016	**Level 1**	**Level 2**	**Level 3**
	$	**$**	**$**
Available-for-sale investments (at fair value)	**174**	-	-

2015	Level 1	Level 2	Level 3
	$	$	$
Available-for-sale investments (at fair value)	174	-	-

30. Capital disclosures

The Company's fundamental objectives in managing capital are to maintain financial flexibility in order to preserve its ability to meet financial obligations, ensure adequate liquidity and financial flexibility at all times and deploy capital to provide an appropriate investment return to its shareholders while maintaining prudent levels of financial risk. The Company believes that the aforementioned objectives are appropriate in the context of Glacier's business.

The Company defines its capital as shareholders' equity, long-term debt including the current portion, and preferred shares, net of any cash and cash equivalents.

The Company's financial strategy is designed to maintain a flexible capital structure including an appropriate debt to equity ratio consistent with the objectives stated above and to respond to changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares, raise debt (secured, unsecured, convertible and/or other types of available debt instruments), enter into hedging arrangements and refinance existing debt with different characteristics, amongst others.

The Company constantly monitors and assesses its financial performance and economic conditions in order to ensure that its net debt levels are prudent.

The Company's financial objectives and strategy are reviewed on an annual basis. The Company believes that its ratios are within reasonable limits, in light of the relative size of the Company and its capital management objectives.

The Company is also subject to financial covenants in its operating credit facility agreement, which are measured on a quarterly basis. The Company is in compliance with all financial covenants at December 31, 2016 and 2015.

Board of Directors

Bruce W. Aunger*	S. Christopher Heming	
Sam Grippo	Jonathon J.L. Kennedy	
Geoffrey L. Scott	Tim McElvaine*	*Member of the Audit Committee

Officers
Sam Grippo, Chairman
Jonathon J.L. Kennedy, President & Chief Executive Officer
Orest Smysnuik, CA, Chief Financial Officer
Bruce W. Aunger, Secretary

Transfer Agent
Computershare Trust Company of Canada
Toronto, Calgary and Vancouver

Auditors
PricewaterhouseCoopers LLP

Stock Exchange Listing
The Toronto Stock Exchange
Trading symbol: GVC

Investor Relations
Institutional investors, brokers, security analysts and others requiring financial and corporate information about Glacier should visit our website *www.glaciermedia.ca* or contact: Orest Smysnuik, CA, Chief Financial Officer.

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