



MANAGEMENT INFORMATION CIRCULAR

MAY 3, 2000

GREAT LAKES HYDRO INCOME FUND

(an unincorporated open-ended trust created under the laws of the Province of Quebec)

NOTICE OF ANNUAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the "**Meeting**") of the unitholders of Great Lakes Hydro Income Fund (the "**Fund**") will be held on Monday, June 12, 2000 at 9:30 a.m. in the Galerie 3 Room at the Queen Elizabeth Hotel, 900 René Lévesque Blvd. West, Montreal, Quebec, for the following purposes:

1. To receive the financial statements of the Fund for the fiscal period ended December 31, 1999, together with the report of the auditors thereon;
2. To direct and instruct the Sole Trustee as to the manner in which the Sole Trustee shall vote the Great Lakes Power Trust ("**GLPT**") units to elect the GLPT trustees, appoint GLPT's auditors and authorize the GLPT trustees to fix the auditors' remuneration;
3. To appoint auditors of the Fund and authorize the Sole Trustee to fix the auditors' remuneration; and
4. To transact such other business that may properly come before the Meeting or any adjournment thereof.

The Sole Trustee has fixed May 3rd, 2000 as the record date for determining those unitholders entitled to receive notice and vote at the Meeting. The accompanying information circular provides additional information relating to the matters to be dealt with at the meeting and forms part of this notice.

If you are unable to attend the meeting in person, please complete, sign and return the enclosed form of proxy to the Fund, c/o CIBC Mellon Trust Company, in the envelope provided for that purpose, or deliver it by hand to the Fund, c/o CIBC Mellon Trust Company, 2001 University Street, 16th floor, Montreal, Province of Quebec, H3A 2A6. In order to be effective, proxies must be received not later than 4:00 p.m. (Montreal Time) on June 8, 2000, or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays and Holidays, preceding the day of any adjournment thereof. Proxies may also be delivered to the chairman of the Meeting or any adjournment thereof.

DATED at Masson-Angers, Province of Quebec, this 3rd day of May, 2000.

By order of the Sole Trustee

(Signed) André Bureau
Chairman

GREAT LAKES HYDRO INCOME FUND

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This circular is furnished in connection with the solicitation of proxies by or on behalf of management of Great Lakes Hydro Income Fund (the "**Fund**") for use at the annual meeting (the "**Meeting**") of unitholders ("**Unitholders**") of the Fund to be held on Monday, June 12, 2000 at 9:30 a.m., in the Galerie 3 Room, at the Queen Elizabeth Hotel, 900 René Lévesque Blvd. West, Montreal, Quebec, or any adjournment thereof, for the purpose set forth in the accompanying notice of Meeting (the "**Notice**"). The solicitation will be made primarily by mail but proxies may also be solicited personally, in writing or by telephone by regular employees or members of management of Maclaren Energy Inc. (the "**Administrator**"), CIBC Mellon Trust Company (the "**Sole Trustee**") of the Fund at a nominal cost. The costs of solicitation will be borne by the Fund.

The Sole Trustee has fixed May 3rd, 2000 as the record date for determining those Unitholders entitled to receive the Notice and vote at the Meeting.

The information contained in this circular is given as at May 3rd, 2000, unless otherwise indicated.

APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are trustees of Great Lakes Power Trust ("GLPT"). Each Unitholder has the right to appoint a person other than any person named in the enclosed form of proxy, who need not be a Unitholder, to represent the Unitholder at the Meeting. This right may be exercised by inserting the name of the person to be appointed by the Unitholder in the space provided in the form of proxy and striking out the names of management's nominees or by completing another proper form of proxy.

To be effective, proxies must be deposited with the Fund, c/o CIBC Mellon Trust Company, 2001 University Street, 16th floor, Montreal, Province of Quebec, H3A 2A6, so as to arrive not later than 4:00 p.m. (Montreal Time) on June 8, 2000 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays and holidays, preceding the time of such adjourned meeting. Proxies may also be delivered to the chairman of the Meeting before the commencement of the Meeting or any adjournment thereof.

REVOCAION OF PROXIES

A Unitholder who has given a proxy may revoke the proxy at any time by an instrument in writing, including another proxy, duly executed by the Unitholder or by his or her attorney duly authorized in writing, deposited with the Fund as provided above. A Unitholder may also revoke a proxy in any other manner permitted by law, but prior to the exercise of such proxy in respect of any particular matter.

VOTING OF UNITS

On any ballot that may be called for, the persons designated in the enclosed form of proxy will vote for or against or withhold from voting the units of the Fund (the "Units") in respect of which they are appointed by proxy in accordance with instructions of the Unitholder indicated on the proxy. **In the absence of instructions with respect to a particular resolution, the Units will be voted in favour of the resolution as indicated under the appropriate heading in this circular.**

The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and other matters which may properly come before the Meeting. At the date of this circular, the Sole Trustee and the Administrator of the Fund are not aware of amendments, variations or other matters to come before the Meeting, except those which are indicated in the Notice.

OUTSTANDING UNITS

As of May 3rd, 2000, 22,290,476 Units of the Fund were outstanding, each carrying the right to one vote per Unit. All Unitholders of record at the close of business on May 3rd, 2000, the record date established for the Notice, will be entitled to vote at the Meeting, or any adjournment thereof, either in person or by proxy.

PRINCIPAL HOLDERS

To the best of the knowledge of the Sole Trustee and of the officers of the Administrator, only the following persons beneficially own, directly or indirectly, or exercise control or direction over Units carrying more than 10% of the votes attached to all Units:

Unitholder	Approximate Number of Units Beneficially Owned or over which Control of Direction is Exercised	Approximate % of Outstanding Units
Great Lakes Power Inc.	8,916,191	40%
Nexfor Inc.	4,749,285	21.3%

MATTERS TO BE ACTED ON AT THE MEETING

I - Appointment of Auditors of the Fund

The persons named in the enclosed form of proxy intend to vote in favour of the resolution appointing Ernst & Young, Chartered Accountants, as auditors of the Fund to hold office until the next annual meeting of Unitholders or until their successors are appointed, and authorizing the Sole Trustee to fix the remuneration of the auditors, unless the Unitholder who has given the proxy has directed that the Units represented thereby be withheld from voting in respect of the appointment of auditors. Ernst & Young have been acting as auditors of the Fund since its inception and their mandate has been confirmed by a resolution of the Sole Trustee on November 1, 1999.

II - Directions and Instructions to the Sole Trustee as to the manner in which the Sole Trustee shall vote the GLPT units to elect the trustees of GLPT (the "GLPT Trustees"), appoint GLPT's Auditors and fix their remuneration

The Fund is the sole Unitholder of GLPT. Under the Amended and Restated Trust Agreement dated October 27, 1999, (the "Trust Agreement"), the Fund must, by way of an ordinary resolution passed by the affirmative votes of the holders of not less than 50% plus one of the outstanding Units of the Fund, direct and instruct the Sole Trustee as to the manner in which the Sole Trustee shall vote the GLPT Units to elect GLPT's Trustees, appoint GLPT's Auditors and fix their remuneration.

a) Election of GLPT Trustees

GLPT currently has seven trustees. The persons named in the enclosed form of proxy intend to vote in favor of the election of the proposed nominees whose names are set out below as GLPT Trustees, unless the Unitholder who has given such proxy has directed that the Units represented thereby be withheld from voting on this matter. The Sole Trustee and the Administrator do not contemplate that the proposed nominees will be unable to serve as GLPT Trustees but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. The seven GLPT Trustees to be elected at the GLPT Annual Meeting will hold office until the next annual meeting or until his or her successor is duly elected or appointed in accordance with the trust agreement of GLPT dated September 29, 1999, as amended, from time to time.

The following table sets forth certain information with respect to the seven persons proposed for nomination as GLPT Trustees, including the number of Units of the Fund beneficially owned or over which control or direction was exercised as at the date of this circular.

Name and municipality of residence	Principal occupation	Trustee since:	Units of the Fund beneficially owned or over which control or direction is exercised⁽¹⁾
André Bureau, O.C. Montreal, Quebec	Chairman of the Board and Chief Executive Officer of Astral Media Inc. (Communications)	November 18, 1999	—
Dian Cohen, O.C. Hatley, Quebec	Economic consultant of DC Productions Limited (Economic consultants)	November 18, 1999	2,000
Pierre Dupuis ⁽²⁾ Westmount, Quebec	Chief Operating Officer of Dorel Industries Inc. (Manufacturer and distributor of furniture)	November 18, 1999	2,000
Harry A. Goldgut Thornhill, Ontario	President and Chief Operating Officer of Great Lakes Power Inc. (Producer and distributor of electricity)	November 18, 1999	10,000

Name and municipality of residence	Principal occupation	Trustee since:	Units of the Fund beneficially owned or over which control or direction is exercised ⁽¹⁾
Kenneth W. Harrigan ⁽²⁾ , O.C. Oakville, Ontario	Corporate Director	November 18, 1999	—
Edward C. Kress ⁽²⁾ Toronto, Ontario	Chairman and Chief Executive Officer of Great Lakes Power Inc. (Producer and distributor of electricity)	November 18, 1999	20,000
Aaron W. Regent Toronto, Ontario	Managing Partner, Investment Banking, of Trilon Financial Corporation (Financial services company)	November 18, 1999	—

- (1) The information as to Units beneficially owned or over which control or direction is exercised, not being within the knowledge of the Fund, has been furnished by the proposed nominees.
- (2) Member of the Audit Committee of GLPT.

The proposed nominees have been engaged in their principal occupations for at least five years, except (i) Pierre Dupuis who, before 1999, was President and Chief Operating Officer of GTC Transcontinental Group Ltd. and, before 1996, was President and Chief Executive Officer of Sico Inc.; and (ii) Harry A. Goldgut who, before 1997, was Senior Vice President of Jay-M Holding Limited.

b) Appointment of auditors of GLPT

The persons named in the enclosed form of proxy intend to vote in favour of the resolution directing and instructing the Sole Trustee as to the manner in which the Sole Trustee shall vote the GLPT Units to appoint Ernst & Young, Chartered Accountants, as auditors of GLPT to hold office until the next annual meeting of unitholders of GLPT or until their successors are appointed and authorizing the GLPT Trustees to fix the remuneration of the auditors, unless the Unitholder who has given the proxy has directed that the Units represented thereby be withheld from voting in respect of the appointment of auditors. Ernst & Young have been acting as auditors of GLPT since the inception of GLPT.

REMUNERATION OF TRUSTEES

For the services rendered as trustee and transfer agent to the Fund during the fiscal period ended December 31, 1999, the Sole Trustee is paid a fee of \$12,000.

The GLPT Trustees are entitled to receive remuneration from the GLPT in the amount of \$10,000 per year. GLPT Trustees are also entitled to receive additional remuneration for attending extraordinary meetings of the trustees or of a committee of the trustees in the amount of \$1,000 per meeting held in person and \$400 per meeting held by phone. No amount was paid by the Fund to GLPT Trustees in compensation for their services as trustees during the fiscal year ended December 31, 1999. GLPT Trustees are entitled to be reimbursed for their reasonable out-of-pocket expenses incurred in connection with the conduct of GLPT's business.

MANAGEMENT OF THE FUND

Administration Agreement

Pursuant to the administration agreement (the "**Administration Agreement**") signed on September 14th, 1999 between the Fund, and the Administrator provides certain administrative and support services to the Fund and all costs relating thereto will be for the account of the Fund, including those necessary to: (i) ensure compliance by the Fund with continuous disclosure obligations under applicable Securities legislation; (ii) provide investors relations services; (iii) provide or cause to be provided to Unitholders all information to which Unitholders are entitled under the Trust Indenture including relevant information with respect to income taxes; (iv) call, hold and distribute materials, including notices of meetings and information circulars in respect of all meeting of Unitholders; (v) provide for the calculation of distributions to Unitholders; (vi) attend to all administrative and other matters arising in connection with any redemption of units; and (vii) ensure compliance with the Fund's limitations on non-resident ownership. The Agreement may be terminated by either party in the event of the insolvency or receivership of the other party or in the case of default by the other party in a material obligation under the Administration Agreement which is not remedied within 60 days after notice thereof has been delivered to such party. The Administrator must obtain written approval from the Fund to charge the Fund for anything other than services.

The Administrator

The Administrator is a wholly owned subsidiary of Great Lakes Power Inc. ("**Great Lakes**"). The Administrator was created on September 9, 1999 to perform services for the Fund and GLPT. The head office of the Administrator is located at 2 Chemin Montreal Ouest, Masson-Angers, Quebec, J8M 1K6.

The following individuals are the senior officers of the Administrator:

Name	Municipality of residence	Position
Harry A. Goldgut	Thornhill, Ontario	Chairman of the Board of directors
Richard Legault	Gatineau, Quebec	President, Chief Executive Officer and Director
Edward C Kress	Toronto, Ontario	Director
Laurent Cusson	Gatineau, Quebec	Vice-President, Operations and Business Development
Donald Tremblay	Gatineau, Quebec	Vice-President, Finance and Administration

Management Operation & Maintenance Agreement

Pursuant to the Management Operation & Maintenance Agreement entered into between GLPT and the Administrator on September 14, 1999, the Administrator will operate and maintain the power system of GLPT (the "**Power System**") in accordance with prudent industry practice and the annual

operating plan. The Administrator will also perform management services for GLPT including: (i) reporting to GLPT Trustees; (ii) accounting and financial services, including coordination and management of the accounting cash management, treasury and other systems; (iii) preparing financial statements and other financial reports; and (iv) preparing annual plans and budgets. GLPT will pay or reimburse the Administrator for all costs and expenses incurred by the Administrator on behalf of GLPT in relation to the operations and maintenance of the Power System and the management of GLPT. For the fiscal year ended on December 31, 1999, the amount paid by the Fund to the Administrator for the costs incurred by the Administrator in connection with the operation and maintenance of the Power System was \$419,703.

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this circular, the consolidated financial statements for the fiscal period ended December 31, 1999 and the Fund's prospectus dated October 27, 1999, the Fund is not aware of any material interest of any current or proposed Trustees or officer of the Administrator in any transaction since the creation of the Fund, or in any proposed transaction that has materially affected or will materially affect the Fund.

Pursuant to a 20-year guarantee agreement entered between Great Lakes and GLPT on September 14, 1999, Great Lakes, which is an insider of the Fund, will guarantee, except in certain circumstances, that GLPT will receive the guaranteed price for all electricity produced and delivered by the power system. The address of Great Lakes is BCE Place, 181 Bay Street Suite 4400, P.O. Box 762, Toronto, Ontario M5J 2T3. Great Lakes will also act as GLPT's exclusive agent in respect of sales of electricity, transmission and other additional services and provide sales, scheduling, dispatching and transmission services. In addition, Great Lakes will negotiate, on behalf of GLPT, purchases of electricity and energy storage and operating agreements with interconnected utilities and will negotiate the power purchase agreements between GLPT and its customers. For acting as the exclusive agent of GLPT in respect of the sale of electricity and providing sales, scheduling, dispatch and transmission services, Great Lakes received, for the period ended December 31, 1999, an amount of \$58,904.

OTHER BUSINESS

The Fund knows of no matter to come before the Meeting other than those referred to in the accompanying Notice.

ADDITIONAL INFORMATION

When completed, copies of the Fund's Annual Information Form (together with the documents incorporated therein by reference), the comparative financial statements of the Fund for the fiscal period ended December 31, 1999, together with a Report of the Auditors thereon, the Management's Discussion and Analysis of the Fund's financial condition and results of operations for the fiscal period ended December 31, 1999 and this information circular will be available upon request to the Fund.

TRUSTEE'S APPROVAL

The contents and the sending of this circular have been approved by the Sole Trustee.

DATED as of the 3rd day of May, 2000.

BY ORDER OF THE SOLE TRUSTEE

(Signed) André Bureau
Chairman

GREAT LAKES HYDRO INCOME FUND
(the "Fund")
PROXY
SOLICITED BY THE MANAGEMENT OF THE FUND
FOR THE JUNE 12, 2000 MEETING OF UNITHOLDERS

PLEASE DATE AND SIGN THIS FORM OF PROXY AND RETURN IT IN THE ENCLOSED ENVELOPE ADDRESSED TO GREAT LAKES HYDRO INCOME FUND, c/o CIBC MELLON TRUST COMPANY, 2001 UNIVERSITY STREET, 16TH FLOOR, MONTREAL, QUEBEC, H3A 2A6, SO THAT IT IS RECEIVED BEFORE 4:00 P.M. (MONTREAL TIME) ON JUNE 8, 2000. IN THE ALTERNATIVE, YOU MAY DELIVER IT TO THE CHAIR OF THE MEETING BEFORE THE MEETING COMMENCES. IF YOU ARE PLANNING TO ATTEND THE MEETING TO VOTE IN PERSON, PLEASE BRING THIS PROXY AS IT WILL ASSIST IN YOUR REGISTRATION.

The undersigned Unitholder of the Fund hereby appoints E.C. KRESS or, failing him, H.A. GOLDGUT or instead of either of them _____, as proxy of the undersigned to attend and vote at the annual meeting of Unitholders of the Fund to be held on Monday, June 12, 2000 and at any adjournment thereof, upon the following matters:

- (1) VOTE or WITHHOLD VOTE or, if no specification is made, VOTE to direct the Sole Trustee to vote for the election of the GLPT Trustees and the appointment of GLPT's auditors as set out in the Fund's Management Information Circular dated May 3, 2000; and
- (2) VOTE or WITHHOLD VOTE or, if no specification is made, VOTE, for the appointment of Ernst & Young, Chartered Accountants, as auditors of the Fund and authorizing the Trustee to fix the remuneration of the auditors;
- (3) Amendments or variations to the matters identified in the notice of meeting and such other business as may properly come before the meeting or any adjournment thereof at the discretion of the proxyholder.

This instrument supersedes and revokes any prior appointment of proxy made by the undersigned with respect to the voting of the Units below at the meeting.

Dated: _____ 2000.

Number of Units _____

Signature of Unitholder _____

Name of Unitholder (Please print clearly) _____

NOTES:

- (1) If this proxy is completed and submitted in favour of the persons designated in the printed portion above, the proxyholder will vote in favour of the resolutions described in items 1, 2 and 3 on any ballot that may be called in respect of the same unless the proxy otherwise specifies, in which case, the specified instructions will be followed.
- (2) This proxy, which is solicited on behalf of the management of the Fund, should be completed, signed and dated by the Unitholder. If this proxy is not dated in the space provided, it will be deemed to bear the date on which it was mailed to you by the Fund.
- (3) If you wish to appoint some other person (who need not be a Unitholder) to represent you at the meeting, you may do so either by inserting the person's name in the blank space provided above when completing this proxy and striking out management's nominees or by completing another form of proxy.
- (4) If the Unitholder appointing a proxy is a corporation, this proxy must be signed under its corporate seal or by the signatures of properly authorized officers or attorneys.
- (5) See the management information circular which accompanies and forms part of the notice of meeting for a full explanation of the rights of Unitholders regarding completion and use of this proxy and other information pertaining to the meeting.