CLEARWATER SEAFOODS INCOME FUND

Annual Meeting of Unitholders
to be held on May 11, 2005

NOTICE OF MEETING
and
MANAGEMENT INFORMATION CIRCULAR

March 24, 2005

Dear Unitholders,

You are invited to attend the annual meeting of unitholders of Clearwater Seafoods Income Fund, which will be held at The Fairmont Royal York in Toronto, Ontario, at 10:30 a.m. (Eastern Standard Time) on Wednesday, May 11, 2005. The meeting will give you the opportunity to learn more about Clearwater Seafoods Income Fund, receive its financial results, and hear about its plans for the future. You will also meet the trustees, as well as the directors and senior management of CS ManPar Inc.

The attached notice of meeting and management information circular describes the business to be conducted at the meeting. Even if you cannot attend the meeting, it is important that your units be represented and voted by using the enclosed proxy or voting instruction form. We encourage you to familiarize yourself with the issues by reading the management information circular, and then vote as soon as possible. We look forward to your participation.

Sincerely,

(Signed) PURDY CRAWFORD
Chairman of the Trustees
Clearwater Seafoods Income Fund

NOTICE OF ANNUAL MEETING OF UNITHOLDERS

The annual meeting of unitholders of Clearwater Seafoods Income Fund will be held

on: Wednesday, May 11, 2005

at: 10:30 a.m. (Eastern Standard Time)

at the: The Fairmont Royal York Hotel
Imperial Room
100 Front Street West
Toronto, Ontario

for the following purposes:

- to elect trustees for the ensuing year;
- to appoint auditors for the ensuing year and to authorize the trustees to fix the remuneration to be paid to the auditors;
- to receive the financial statements of Clearwater Seafoods Income Fund and Clearwater Seafoods Limited Partnership for the year ended December 31, 2004 and the auditor's reports on the statements; and
- to transact such other business as may properly be brought before the meeting.

Registered unitholders are encouraged to complete the enclosed proxy form to be returned in person or by mail in the enclosed envelope, or in an envelope addressed to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, or by fax to the attention of the Proxy Department at 1 866 249 7775 (within North America) or (416)-263-9524 (outside North America). **Proxies must be received by Computershare Investor Services Inc. no later than 5:00 p.m. (Eastern Standard Time) on Monday, May 9, 2005.**

By Order of the Board of Trustees

Halifax, Nova Scotia
March 24, 2005

(Signed) PURDY CRAWFORD
Chairman

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CLEARWATER SEAFOODS INCOME FUND

MANAGEMENT INFORMATION CIRCULAR

All information in this management information circular (this "**Circular**") is as of March 24, 2005 unless otherwise indicated.

This Circular is furnished in connection with the solicitation of proxies on behalf of the trustees (the "**Trustees**") of Clearwater Seafoods Income Fund (the "**Fund**") by the management of CS ManPar Inc. ("**CS ManPar**"), as managing general partner of Clearwater Seafoods Limited Partnership ("**Clearwater**"), administrator of the Fund, for use at the annual meeting (the "**Meeting**") of holders of units and special trust units of the Fund to be held at the time and place and for the purposes set forth in the attached notice of meeting.

THE FUND

The Fund is an unincorporated open-ended trust established under the laws of the Province of Ontario by an amended and restated declaration of trust (the "**Declaration of Trust**"). The Fund is administered by the Trustees and by Clearwater pursuant to an administration agreement (the "**Administration Agreement**") among the Fund, Clearwater and Clearwater Seafoods Holdings Trust ("**CSHT**") dated July 31, 2002. See "Management Contracts — Administration Agreement".

The Fund was established to hold, directly or indirectly, investments in entities engaged in the harvesting, processing, distribution and marketing of seafood, including an interest in Clearwater, and such other investments as the Trustees may determine.

Clearwater is a limited partnership established under the laws of the Province of Nova Scotia to carry on, directly or indirectly, the business of, and the ownership, operation and lease of assets and property in connection with the harvesting, processing, distribution and marketing of seafood and such other businesses as the directors of CS ManPar may determine, and all activities ancillary and incidental thereto. The Fund holds, indirectly, an approximate 55.71% interest in Clearwater.

Clearwater has outstanding 29,407,626 Class A units (the "**Class A Units**") and 4,081,633 Class C units (the "**Class C Units**"), all of which are owned indirectly by the Fund, and 23,381,217 Class B units (the "**Exchangeable Units**"). Subject to certain limitations, the holders of Exchangeable Units have the right to indirectly exchange such units for units ("**Units**") of the Fund on a one-for-one basis (subject to adjustment in certain circumstances) and such holders hold an equivalent number of special trust units ("**Special Trust Units**") of the Fund, which will be cancelled on exchange of the Exchangeable Units. Class C units were issued by Clearwater (indirectly) to the Fund concurrently with the issue by the Fund of $50 million of convertible debentures. The Class C Units are non-voting and redeemable and retractable at a price of $12.25 per unit, subject to certain restrictions.

The Fund has outstanding 29,407,626 Units and 23,381,217 Special Trust Units. The Special Trust Units were issued solely to provide voting rights to the holders of the Exchangeable Units.

Under applicable securities legislation, the Fund is required to provide certain information with respect to the Fund and its Trustees and officers. The Fund, however, does not carry on business, does not have officers and is entirely dependent for its results on the performance of Clearwater; the Fund's purpose is solely to hold investments as described above. The directors and officers of CS ManPar, in its capacity as managing general partner of Clearwater, the administrator of the Fund, are responsible for administering the Fund in accordance with the Administration Agreement. Consequently, in addition to information relating to the Fund and the Trustees, this Circular includes information relating to CS ManPar, its directors and officers and Clearwater.

VOTING

Who Can Vote?

One Vote Per Unit and One Vote Per Special Trust Unit

March 14, 2005 is the record date to determine the holders of Units and Special Trust Units who are entitled to receive notice of the Meeting. Each such holder is entitled to one vote for each Unit and one vote for each Special Trust Unit registered in his or her name as of March 14, 2005.

As of March 24, 2005, there were 29,407,626 Units and 23,381,217 Special Trust Units outstanding.

To the knowledge of the Trustees, the only person or company that beneficially owns, directly or indirectly, or exercises control or direction over Units or Special Trust Units carrying more than 10% of the votes attached to Units and Special Trust Units is as follows:

Name	Number of Units Owned on a Fully Diluted Basis	Percentage of Units Owned on a Fully Diluted Basis
Clearwater Fine Foods Incorporated[1]	24,481,422	46.38%

Notes

(1) Clearwater Fine Foods Incorporated holds 1,100,205 Units and 23,381,217 Special Trust Units. Each Special Trust Unit was issued concurrently with the issuance of an Exchangeable Unit, which, subject to certain restrictions, will be exchangeable for Units on a one-for-one basis, subject to adjustment in certain circumstances. Upon exchange of the Exchangeable Units for Units of the Fund, the associated Special Trust Unit will be cancelled.

Voting in Person

Registered unitholders who attend the Meeting in Toronto on May 11, 2005 can cast one vote for each Unit and one vote for each Special Trust Unit on resolutions put before the Meeting. If you are a registered unitholder who will attend and vote in person at the Meeting, you do not need to complete or return the proxy form. Please register your attendance with the scrutineer, Computershare Investor Services Inc., upon arrival at the Meeting.

Voting by Proxy

If you do not plan to come to the Meeting, you can vote by using the enclosed proxy form to appoint someone who will be there as your proxyholder. You can either tell that person how you want to vote, or let him or her choose for you.

What is a Proxy?

A proxy is a document that authorizes someone else to attend the Meeting and cast the votes for a registered unitholder. If you are a registered unitholder, a proxy form for the Meeting is enclosed in this package. Use it to appoint a proxyholder. (You can also use any other legal proxy form.)

Appointing a Proxyholder

Your proxyholder is the person you appoint to cast your votes for you. **You can choose anyone you want to be your proxyholder**; it does not have to be another unitholder. Just fill in the person's name in the blank space provided on the enclosed proxy form. If you leave the space in the proxy form blank, the persons designated in the form, who are Trustees or officers of CS ManPar, are appointed to act as your proxyholder. Your proxy authorizes the proxyholder to vote and otherwise act for you at the Meeting, including any continuation after adjournment of the Meeting.

If you vote on the issues by marking the appropriate boxes on the proxy form, your Units and/or Special Trust Units will be voted as instructed. If you do not mark any boxes, your proxyholder can vote your Units and/or Special Trust Units as he or she sees fit (see "**Your Proxy Vote**").

To record your vote, you must return the signed proxy by 5:00 p.m. (Eastern Standard Time) on Monday, May 9, 2005, to the Toronto office of Fund's transfer agent, Computershare Investor Services Inc., at:

100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1

or

Fax to (416) 263-9524 (Toronto or outside of North America) or 1-866-249-7775 (North America).

The document appointing a proxyholder must be in writing and completed and signed by a unitholder or his or her attorney authorized in writing or, if the unitholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as officers, attorneys, executors, administrators, trustees, etc., should so indicate and provide satisfactory evidence of such authority.

Webcast of Meeting

The Meeting may also be viewed via webcast on www.clearwater.ca commencing at 10:30 a.m. (Eastern Standard Time) on Wednesday, May 11, 2005. Unitholders may view the Meeting but will not be able to vote via the webcast. Unitholders wishing to vote must either attend the Meeting in person or submit a proxy form as described in this Circular.

Changing Your Mind

If you want to revoke your proxy after you have delivered it, you can do so any time before it is used. You can revoke your proxy by completing and signing a proxy bearing a later date and returning it to Computershare Investor Services Inc. in the manner and so as to arrive as described above. Alternatively, you or your authorized attorney must state clearly, in writing, that you want to revoke your proxy, and deliver such document to this address:

Clearwater Seafoods Income Fund
757 Bedford Highway
Bedford, Nova Scotia B4A 3Z7
Canada
Attention: Chief Financial Officer
Fax: (902) 443-7797

The proxy can be revoked if a revocation: (i) is received by (or on) the last business day before the day of the Meeting (or of the continuation of the Meeting after adjournment), (ii) is deposited with the Chairman of the Meeting on the day of the Meeting (or of the continuation), or (iii) in any other way the law permits.

If you revoke your proxy and do not replace it with another that is deposited with the Toronto office of the Fund's transfer agent, Computershare Investor Services Inc., by 5:00 p.m. (Eastern Standard Time) on Monday, May 9, 2005, you can still vote your Units and/or Special Trust Units, but must do so in person at the Meeting.

Your Proxy Vote

If you have filled out and signed your proxy correctly (exactly as your name appears on the proxy form), and delivered it to the transfer agent by 10:30 a.m. (Eastern Standard Time) on Tuesday, May 10, 2005, then your proxyholder can vote for you at the Meeting. If you have specified on the proxy form how you want to vote on a particular issue (by marking FOR, or WITHHOLD), then your proxyholder must vote your Units and/or Special Trust Units accordingly on any ballot.

If you have NOT specified how to vote on a particular issue, then your proxyholder can vote your Units and/or Special Trust Units as he or she sees fit; and if you have appointed the persons designated in the proxy form as your proxyholder, unless otherwise specified, your Units and/or Special Trust Units will be voted at the Meeting as follows:

- **FOR the election of the three nominees to the board of trustees listed under the heading "Matters to be Considered at the Meeting — Election of Trustees"; and**

- **FOR the appointment of KPMG LLP as auditors of the Fund;**

If any amendments are proposed to the matters described in the attached notice of meeting, or if any other matters properly come before the Meeting, your proxyholder can vote your Units and/or Special Trust Units as he or she sees fit. The notice includes all the matters to be presented at the Meeting that are known to the Trustees as of the date of this Circular.

Confidentiality

All proxies are considered confidential and will be returned to the Fund's transfer agent, Computershare Investor Services Inc. The transfer agent's Stock Transfer Services division will count the proxies and tabulate the results, which will be verified by the Meeting's scrutineers. The transfer agent will refer a proxy to the Fund if it has a comment intended for the Fund's Trustees on it, or in connection with applicable legal requirements.

Information for Beneficial Holders

Most unitholders are "beneficial owners" who are non-registered unitholders. Their Units and/or Special Trust Units are registered in the name of an intermediary, such as a securities broker, financial institution, trustee, custodian or other nominee who holds the Units and/or Special Trust Units on their behalf, or in the name of a clearing agency in which the intermediary is a participant (such as The Canadian Depository for Securities Limited). Intermediaries have obligations to forward meeting materials to the non-registered holders, unless otherwise instructed by the holder (and as required by regulation in some cases, despite such instructions). Only registered unitholders or their duly appointed proxyholders are permitted to vote at the Meeting. Non-registered holders should follow the directions of their intermediaries with respect to the procedures to be followed for voting. Generally, intermediaries will provide non-registered holders with either: (a) a voting instruction form for completion and execution by the non-registered holder, or (b) a proxy form, executed by the intermediary and restricted to the number of Units and/or Special Trust Units owned by the non-registered holder, but otherwise uncompleted. These are procedures to permit the non-registered holders to direct the voting of the Units and/or Special Trust Units that they beneficially own.

If the non-registered holder wishes to attend and vote in person at the Meeting, they must insert their own name in the space provided for the appointment of a proxyholder on the voting instruction form or proxy form provided by the intermediary and carefully follow the intermediary's instructions for return of the executed form or other method of response.

Solicitation of Proxies

The Trustees request that you sign and return the proxy form to ensure your votes are exercised at the Meeting. Clearwater will pay the cost of proxy solicitation, which will be primarily by mail. However, proxies may also be solicited by telephone, fax or personal contact, or by any other means of communication, or by the Trustees who will not be remunerated therefor.

MATTERS TO BE CONSIDERED AT THE MEETING

Election of Trustees

The number of Trustees to be elected at the Meeting is three. All Trustees elected at the Meeting will hold office until the next annual meeting of unitholders or until their successors are duly elected or appointed.

Unless otherwise instructed, the persons designated in the proxy form intend to vote FOR the nominees listed below. It is not contemplated that any of the proposed nominees will be unable to serve as a Trustee, but if

that should occur for any reason prior to the Meeting, the persons named in the proxy form reserve the right to vote for another nominee at their discretion.

PURDY CRAWFORD, 73 Toronto, Ontario Units: 35,000[1]	Mr. Crawford is Counsel at Osler, Hoskin & Harcourt LLP. He has been a Trustee since July 31, 2002 and currently chairs the Corporate Governance and Compensation Committee of CS ManPar.	Attended 9 of 9 meetings[2] and 1 of 1 committee meetings
JAMES W. GOGAN, 66 New Glasgow, Nova Scotia Units: 52,000[1]	Mr. Gogan is President of High Street Investment Limited (an investment company). He has been a Trustee since July 31, 2002 and currently sits on the Corporate Governance and Compensation Committee of CS ManPar and is the Chair of the Audit Committee of CS ManPar.	Attended 9 of 9 meetings[2] and 5 of 5 committee meetings
THOMAS D. TRAVES, 56 Halifax, Nova Scotia Units: 7,000[1]	Mr. Traves is President and Vice-Chancellor of Dalhousie University. He has been a Trustee since July 31, 2002 and currently sits on the Corporate Governance and Compensation Committee of CS ManPar.	Attended 8 of 9 meetings[2] and 1 of 1 committee meetings

Notes

(1) The information as to Units and Special Trust Units beneficially owned, directly or indirectly, including by associates or affiliates, not being within the knowledge of the Fund, has been furnished by the respective nominees.

(2) The number of meetings attended are shown in relation to the number of meetings of the board of directors of CS ManPar held during the fiscal year ended December 31, 2004. Five committee meetings were held during fiscal 2004 — four Audit Committee meetings and one Corporate Governance and Compensation Committee meetings.

Appointment of Auditors

KPMG LLP, Chartered Accountants, have served as the Fund's auditors since the date of completion of the Fund's initial public offering. It is proposed that KPMG LLP be re-appointed as auditors of the Fund, to hold office until the next annual meeting of the unitholders or until their successor is appointed and that the Trustees be authorized to fix the remuneration of the auditors.

The aggregate amount of fees billed by KPMG LLP during the year for audit and audit-related services including the year ended December 31, 2004 annual audit reviews of the interim financial statements and the filing of prospectuses was $407,100 (2003 — $451,900). The aggregate amount of fees billed by KPMG LLP for all non-audit services rendered during the year ended December 31, 2004, was $272,400 (2003 — $165,500). The Trustees have determined that the provision of the non-audit services for which these fees were rendered is compatible with maintaining KPMG LLP's independence.

One or more representatives of KPMG LLP will be present at the Meeting, will have an opportunity to make a statement as he or she may desire and will be available to respond to appropriate questions.

Financial Statements

The consolidated financial statements of the Fund and Clearwater for the year ended December 31, 2004, together with the auditors' reports on the statements, are contained in the 2004 Annual Report mailed to unitholders with this Circular. No formal action will be taken at the Meeting to approve the financial statements, the requirements of the Declaration of Trust having been satisfied by their advance circulation to unitholders. If any unitholders have questions regarding such financial statements, such questions may be brought forward at the Meeting.

COMPENSATION

Compensation of Trustees and Directors

In the last fiscal year, the Fund paid its Trustees, and CS ManPar paid its directors that are not also Trustees of the Fund or officers of CS ManPar, the following:

- a basic payment of $30,000 for the fiscal year;
- a fee of $3,000 for chairing a committee of CS ManPar; and
- a fee of $1,500 for meetings of the Trustees, the directors or committees attended, to a limit of $15,000, regardless of the number of meetings attended.

The Fund reimbursed the Trustees for out-of-pocket expenses for attending these meetings and the Trustees participate in the insurance and indemnification arrangements described in this Circular. CS ManPar also reimbursed the directors for out-of-pocket expenses for attending these meetings, and the directors also participate in the insurance and indemnification arrangements. During the year ended December 31, 2004, the Fund and CS ManPar paid the Trustees a total of $143,752 (2003 — $151,146) and the directors, excluding those who are Trustees, a total of $87,000 (2003 — $90,000).

Board of Directors of CS ManPar

The board of directors of CS ManPar consists of the Trustees and the persons set out in the following table.

GEORGE S. ARMOYAN, 45 Halifax, Nova Scotia Units[1]: None	Mr. Armoyan is President and CEO of Clarke Inc. Mr. Armoyan has been a director of CS ManPar since July 31, 2002 and currently sits on the Audit Committee.	Attended 9 of 9 meetings, plus 4 of 4 committee meetings
COLIN E. MACDONALD, 57 Halifax, Nova Scotia Units and Special Trust Units: 24,502,685[2][3]	Mr. MacDonald is the Chief Executive Officer of CS ManPar. He has been a director since July 31, 2002.	Attended 9 of 9 meetings
JOHN C. RISLEY, 56 Halifax, Nova Scotia Units and Special Trust Units: 24,481,422[2]	Mr. Risley is the Chairman of CS ManPar. He has been a director since July 31, 2002.	Attended 9 of 9 meetings
HUGH K. SMITH, 60 Halifax, Nova Scotia Units: 28,000	Mr. Smith is Vice President of Municipal Group of Companies and counsel at Stewart McKelvey Stirling Scales. He has been a director since July 31, 2002 and currently sits on the Audit Committee.	Attended 8 of 9 meetings, plus 4 of 4 committee meetings

Notes

(1) The information as to Units and Special Trust Units beneficially owned, directly or indirectly, including by associates or affiliates, not being within the knowledge of the Fund, has been furnished by the respective directors.

(2) Clearwater Fine Foods Incorporated holds 1,100,205 Units as well as an additional 23,381,217 Special Trust Units. Each Special Trust Unit was issued concurrently with the issuance of an Exchangeable Unit, which, subject to certain restrictions, is exchangeable for Units on a one-for-one basis, subject to adjustment in certain circumstances. Upon exchange of the Exchangeable Units for Units, the associated Special Trust Unit shall be cancelled. Messrs. MacDonald and Risley are the sole shareholders and directors of Clearwater Fine Foods Incorporated and, as such, beneficially own and control and direct the Units and Special Trust Units owned by Clearwater Fine Foods Incorporated.

(3) Mr. Colin MacDonald holds 21,263 Units directly.

During 2003 the board of directors adopted a policy whereby board members will be required, over a three year period, to hold units equal to three times their total annual retainer.

Pursuant to a securityholders' agreement entered into in respect of CS ManPar, Clearwater Fine Foods Incorporated ("**CFFI**") has the right to appoint four directors of CS ManPar, and will continue to have the right to appoint directors of CS ManPar on following basis:

- so long as CFFI holds or controls at least 45% of the Units (on a fully diluted basis, including the exchange of the Exchangeable Units), it will be entitled to appoint four of the seven directors;
- so long as CFFI holds or controls at least 33% but less than 45% of the Units (on a fully diluted basis, including the exchange of the Exchangeable Units), it will be entitled to appoint three directors;
- so long as CFFI holds or controls at least 20% but less than 33% of the Units (on a fully diluted basis, including the exchange of the Exchangeable Units), it will be entitled to appoint two directors;
- once CFFI holds less than 20% of the Units (on a fully diluted basis, including the exchange of the Exchangeable Units), it will not have the right to appoint any directors.

Executive Compensation

Under applicable securities legislation, the Fund is required to disclose certain financial and other information relating to the compensation of its Chief Executive Officer and the Fund's four most highly compensated executive officers (other than the Chief Executive Officer). The Fund, however, does not carry on a business; its purpose is to hold, directly or indirectly, investments in entities engaged in the harvesting, processing, distribution and marketing of seafood and such other investments as the Trustees may determine. The executive officers of CS ManPar, as managing general partner of Clearwater, the administrator of the Fund, are responsible for the management of Clearwater's and its subsidiaries' business. The Summary Compensation Table below provides a summary of compensation earned by the Chief Executive Officer and the other four most highly compensated executive officers of CS ManPar and its subsidiaries (the "**Named Executives**").

The Summary Compensation Table lists the compensation earned by the Named Executives in 2004 for the period from January 1, 2004 to December 31, 2004. The compensation earned by the Named Executives in 2002 is for the period from July 31, 2002 (the date of completion of the Fund's initial public offering) to December 31, 2002. Executive compensation disclosure has not been provided for the period prior to the initial public offering of the Fund because the compensation arrangements of Clearwater differ in a number of respects from the compensation arrangements that existed at CFFI (the entity that previously carried on the Clearwater business). In this context, the historical executive compensation disclosure is not comparable or relevant to the existing executive compensation arrangements disclosed below.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation		
					Awards		Payouts
Name and Principal Position[8]	Year	Salary[1] ($)	Bonus[2] ($)	Other Annual Compensation[1] ($)	Securities under Options/ SARs Granted[3] ($)	Restricted Shares or Restricted Share Units[4] ($)	All other Compensation[5] ($)
COLIN E. MACDONALD,	2004	150,000	0	24,589	—	—	—
Chief Executive Officer	2003	150,000[6]	162,904	24,676			
	2002	62,500	0	6,900			
ROBERT D. WIGHT,	2004	210,000	0	16,754	—	—	—
Vice President, Finance and	2003	175,000	76,877	15,592			
Chief Financial Officer	2002	72,917	125,000	4,485			
ERIC R. ROE,	2004	210,000	0	13,936	—	—	—
Chief Operating Officer	2003	175,000	76,877	13,470			
	2002	72,917	125,000	4,000			
J. MICHAEL MAGNUS,	2004	210,000	0	21,418	—	—	—
Executive Vice-President,	2003	175,000	67,877	19,307			
Marketing and Sales	2002	72,917	125,000	5,520			
MICHAEL PITTMAN,	2004	210,000	0	13,221	—	—	—
Vice President, Fleet	2003	147,000	67,877	3,274			
	2002	54,167	28,000	0			

Notes

(1) For 2002, the salary and other compensation amounts are in respect of the period from July 31, 2002 to December 31, 2002. On an annualized basis the salary for Messrs. MacDonald, Wight, Roe, Magnus and Pittman for fiscal 2002 was $150,000, $175,000, $175,000, $175,000 and $130,000, respectively, and other annual compensation was $16,560, $10,764, $9,600, $13,248 and $0, respectively.

(2) Bonuses were paid in December, 2002 in respect of the entire 2002 year during which such persons had served as officers of CS ManPar and, prior to completion of the Fund's initial public offering, of CFFI. Two-thirds of the 2003 annual bonuses were paid out in cash and one-third was used to purchase Units on the executive's behalf which vest over three years.

(3) The Fund does not have an option plan.

(4) The Fund does not issue restricted Units.

(5) No other compensation was paid.

(6) Mr. MacDonald chose to forgo $108,603 of his 2003 bonus (which represented the two-thirds cash portion of his bonus) which Clearwater then donated to certain charitable organizations.

(7) Messrs. Wight, Roe, Magnus and Pittman hold or beneficially hold 171,456, 71,456, 1,286 and 7,286 Units, respectively. CFFI holds 1,100,205 Units as well as an additional 23,381,217 Special Trust Units (total of 24,481,422 Units and Special Trust Units). Messrs. MacDonald and Risley beneficially own, and exercise control or direction over such Units and Special Trust Units as the sole directors and shareholders of CFFI. Mr. MacDonald also holds 21,263 Units directly.

Employment Contracts

All of the Named Executives are parties to employment agreements with Clearwater, which outline the terms and conditions pertaining to their employment. These employment contracts generally provide for minimum base salaries, which, in the case of Mr. MacDonald, is $150,000 per annum and, in the case of the others, is $210,000 per annum. The contracts also provide that the Named Executives shall be entitled to participate in any short-term or long-term incentive plans established by CS ManPar, although no parameters are set out. Each contract provides that the senior officer's employment may be terminated by Clearwater by giving twenty-four months written notice of termination or by paying an amount in lieu thereof.

EXECUTIVE COMPENSATION REPORT

Corporate Governance and Compensation

The Fund does not have a standing Corporate Governance and Compensation Committee. In lieu of a governance committee, the Trustees are directly responsible for developing the Fund's approach to governance issues, filling vacancies among the Trustees and periodically reviewing the composition and effectiveness of the Trustees and the contribution of individual Trustees, although the Corporate Governance and Compensation Committee of CS ManPar, which is comprised of all of the Trustees, also reports to the board on matters concerning corporate governance and compensation in respect of the Fund and its subsidiaries as described below. The Trustees are also responsible for adopting and periodically reviewing and updating the Fund's written corporate disclosure policy.

The Corporate Governance and Compensation Committee is responsible for overall governance for Clearwater and has established clear sets of responsibilities for the Board as a whole, for its committee and for the CEOs. It also has done this for the CEO, with defined limits to his responsibilities.

The Corporate Governance and Compensation Committee conducts an annual review of the performance of the CEO as measured against objectives established mutually in the prior year by the Committee and the CEO and reviewed by the Chairman of the committee with the full board. The results of this annual review are communicated to the full board, which will then make an evaluation of the overall performance of the CEO. This performance evaluation will be communicated to the CEO by the Chairman of the Committee. The evaluation will also be used by the committee in its deliberations concerning the CEO's annual compensation. The board has established limits on management's authority depending on the nature and size of the proposed transaction. These limits permit some flexibility within approved budgets but otherwise will not be exceeded without board approval.

The full Board reviews and approves annual strategic and operating and financial objectives; management prepares these and the CEO is accountable for them.

Report on Executive Compensation

It is one of the responsibilities of the Corporate Governance and Compensation Committee, which is comprised of Messrs. Crawford, Gogan and Traves, to make recommendations on the level of compensation of the senior executives of CS ManPar. In carrying out this mandate, the Corporate Governance and Compensation Committee members, all of whom are outside and unrelated directors, consult with the other outside directors, Messrs. Armoyan and Smith, in the making of decisions on the matter.

With respect to annual base salaries, Mr. MacDonald's annual base salary is $150,000 which is less than the $210,000 annual base salary earned by other executive officers of Clearwater. Mr. MacDonald has agreed to this annual base salary in light of the fact that he holds a substantial indirect interest in CFFI. He believes that a lower salary better aligns his interest with the interest of the public unitholders.

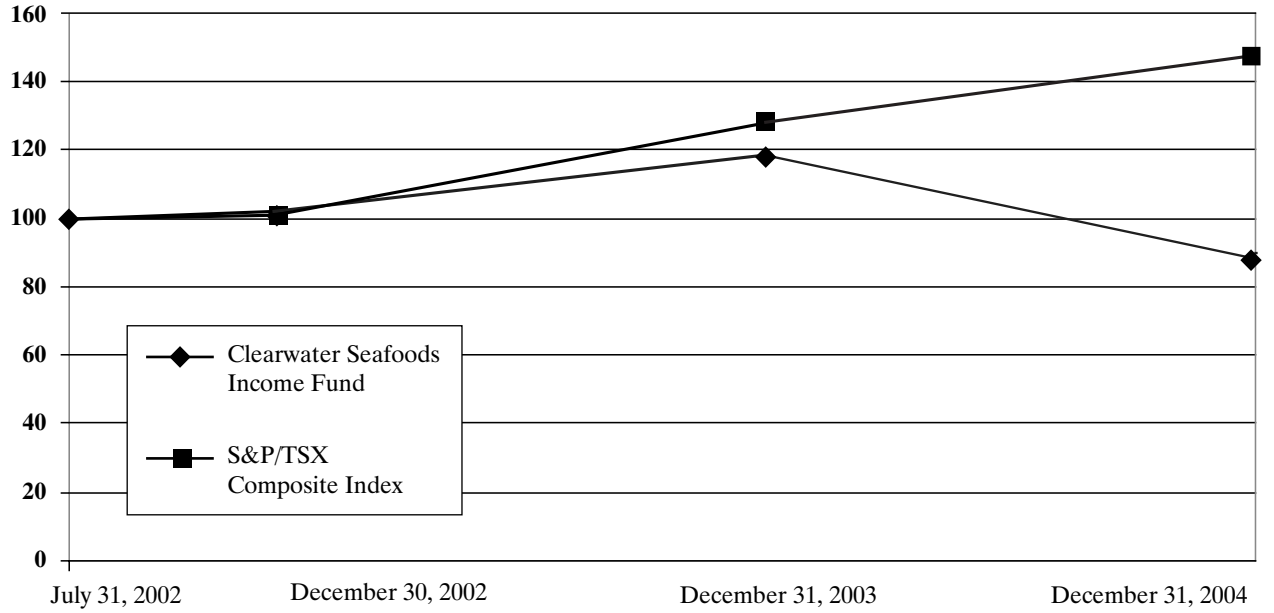
In 2004, the executive officers were eligible for short-term bonuses of up to 40% of their base salary with the exception of the Chief Executive Officer who was eligible for a bonus of up to $180,000. In light of the shortfall in distributable cash targets in 2004 no bonuses were paid.

Submitted by:

Purdy Crawford
James W. Gogan
Thomas D. Traves

PERFORMANCE GRAPH

The following graph compares the total cumulative return, including distributions, to unitholders for $100 invested in Units of the Fund with the total cumulative return, including distributions, of the S&P/TSX Composite Index for the period from July 31, 2002, when the Units were listed on the TSX for trading, to December 31, 2002 and for the fiscal years ended December 31, 2003 and 2004. On December 31, 2004, the closing price of the Units on the TSX was $8.78 (2003 — $12.00).



	July 31, 2002	December 30, 2002	December 31, 2003	December 31, 2004
Clearwater Seafoods Income Fund	100	102.27	118.46	86.67
S&P/TSX Composite Index	100	101.03	127.97	146.50

TRUSTEES, DIRECTORS AND OFFICERS INSURANCE

The Trustees, the directors and officers of CS ManPar and the trustees, directors and officers of their respective subsidiaries are covered under a directors and officers insurance policy that provides an aggregate limit of liability to the insured trustees, directors and officers of $25 million (2003 — $25 million). Losses are subject to a deductible of $75,000 or, in the case of securities claims, $250,000 (2003 — $75,000).

For the period from January 1, 2004 to December 31, 2004, the total premium paid on the policy, including fees, was $221,250 (2003 — $238,000).

The trust declaration of each of the Fund and CSHT and the by-laws of CS ManPar also provides for the indemnification of their respective trustees, directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain usual limitations.

INDEBTEDNESS OF TRUSTEES AND DIRECTORS AND OFFICERS OF THE FUND AND ITS SUBSIDIARIES

No amounts are owed to the Fund or its subsidiaries by any trustee, director, or officer of the Fund or its subsidiaries.

MANAGEMENT CONTRACTS

Administration Agreement

The Fund is administered by Clearwater pursuant to the Administration Agreement.

Under the terms of the Administration Agreement, Clearwater, through its managing general partner, CS ManPar, provides (for no additional consideration, other than payment to Clearwater of out-of-pocket expenses for provision of such services) administrative and financial support services to the Fund, including those necessary to (i) ensure compliance by the Fund with continuous disclosure obligations under applicable securities legislation; (ii) provide investor relations services; (iii) provide or cause to be provided to Unitholders all information to which Unitholders are entitled under the Declaration of Trust including relevant information with respect to income taxes; (iv) call and hold meetings of Unitholders and distribute required materials, including notices of meeting and information circulars, in respect of all meetings; (v) provide for the calculation of distributions to holders of Units; (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.

CORPORATE GOVERNANCE

The Trustees of the Fund, the Board of Directors of CS ManPar and the management team of Clearwater are committed to a high standard of corporate governance. Effective corporate governance requires specified reporting structures and business processes, a strategic planning process, and a commitment to work according to these. We believe that sound corporate governance contributes to unitholder value and to trust and confidence in Clearwater.

The Board of Directors of CS ManPar is responsible under law for the stewardship of Clearwater, including the business affairs of the Fund. To help execute this mandate, the Board has two standing committees, each consisting of only independent directors.

This Audit Committee is comprised of Jim Gogan (Chair), George Armoyan, and Hugh Smith. The Corporate Governance and Compensation Committee is comprised of Purdy Crawford (Chair), Tom Traves, and Jim Gogan.

The Trustees from time to time meet separately and, at other times, as part of the Board of Directors and Committees thereof. The Trustees consider their major responsibility is to protect the interest of the unitholders, in particular the public unitholders in all respects. This can relate to monitoring distributions and the subordination of the exchangeable units, monitoring and approving, and otherwise, all non-arm's length transactions, etc.

The Toronto Stock Exchange has published guidelines for effective corporate governance. These guidelines are set out in Appendix A attached to this management information circular, along with commentary as to Clearwater's conformity to them. The Ontario Securities Commission has published proposed policies with respect to corporate governance and the disclosure required with respect to such proposed policies. The Corporate Governance and Compensation Committee does not anticipate any issues as a result of these proposed policies and is monitoring the status of these policies to ensure the disclosure standards are fully conformed to once these guidelines become effective.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Clearwater had the following transactions and balances with CFFI during 2004 and 2003:

	2004	2003
Transactions		
Charge by CFFI to Clearwater for use of a corporate airplane	202,000	252,000
Charge to CFFI by Clearwater for rent and other services	244,000	236,000
Balances		
Receivable from CFFI	38,000	21,000
Distribution payable to CFFI	3,000,000	6,718,000

In addition, Clearwater was charged approximately $225,000 for vehicle leases in 2004 (December 31, 2003 — $209,000) and approximately $69,000 for other services (December 31, 2003 — $78,000) by companies controlled by a relative of an officer of Clearwater.

These transactions are in the normal course of operations and have been recorded at fair market value.

In addition, CFFI provides certain treasury functions related to derivative financial instruments at no charge to Clearwater.

Except as disclosed in this Circular, the Trustees are not aware of any other material interest of any Trustee of the Fund or director or officer of CS ManPar and Clearwater, or any unitholder who beneficially owns more than 10% of the Units or Special Trust Units, or any known associate or affiliate of these persons, in any transaction since the commencement of the last fiscal year of the Fund or in any proposed transaction that has materially affected or would materially affect the Fund.

OTHER BUSINESS

The Trustees are not aware of any matter intended to come before the Meeting other than those items of business set forth in this Circular and the attached notice of meeting. If any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote in respect of those matters in accordance with their judgment.

ADDITIONAL INFORMATION

We will provide to any person or company, without charge, upon receipt of a request by the Chief Financial Officer of CS ManPar, 757 Bedford Highway, Bedford, Nova Scotia B4A 3Z7, a copy of: (i) the most recent Annual Information Form and Management Discussion & Analysis, together with a copy of any document or pertinent pages of any document incorporated therein by reference; (ii) our Consolidated Financial Statements for our financial year ended December 31, 2004, and the report of our auditors thereon; (iii) interim financial statements released subsequent to the date hereof; and (iv) this Circular. Copies of these documents can also be found at www.sedar.com.

APPROVAL OF TRUSTEES

The content and the sending of this Circular to the unitholders have been approved by the Board of Trustees of Clearwater Seafoods Income Fund and the directors of CS ManPar Inc.

By Order of the Board of Trustees

(Signed) PURDY CRAWFORD
Purdy Crawford
Chairman

Halifax, Nova Scotia
March 24, 2005

APPENDIX A

CORPORATE GOVERNANCE

Below is a list of the Toronto Stock Exchange's fourteen guidelines with respect to corporate governance. Clearwater's commentary with respect to its own practices aimed at conforming to the guidelines appear in italics. References to the Fund, CS ManPar and Clearwater are abbreviated below to the "company".

* * *

1) The Board of Directors of every corporation should explicitly assume responsibility for the stewardship of the corporation and as part of the overall stewardship responsibility, should assume responsibility for a number of matters.

The mandate of the board is to supervise the management of the company and to act in the best interests of the company. The boards acts in accordance with the Canadian Business Corporations Act, the company's Declarations of Trusts and Limited Partnership Agreements, the company's code of business conduct, conflict of interest policies, corporate disclosure policy and corporate governance policy including the related charters of the board committees as well as other applicable laws. The board approves all significant decisions that affect the company and its subsidiaries before they are implemented. The board supervises their implementation and reviews the results. Copies of the company's code of business conduct, conflict of interest policies, corporate disclosure policy and corporate governance guidelines can be found on the company's website at www.clearwater.ca.

a) adoption of a strategic planning process;

The Board believes that management is responsible for the development of individual business unit and overall corporate strategy. The role of the Board is to establish an agreed upon planning process, then review, question and validate, and ultimately approve, the strategies for Clearwater.

The Board receives presentations from management with respect to the long-term direction of Clearwater, strategic priorities, and performance. The Board reviews and analyzes these presentations to ensure that there is congruence between strategic plans, performance, and unitholder expectations.

b) the identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks;

The board directly and through the audit committee and the corporate governance and compensation committee, is responsible for understanding the principal risks associated with the company's businesses and operations on an ongoing basis. The principal risks of the company are those related to resource supply, food processing and product liability, customers, economic fluctuations, government regulations and the ongoing development of leaders. The audit committee meets regularly to review reports and discuss significant financial risk areas with management and the external auditors. The board, through the audit committee, ensures that the company adopts risk management policies.

c) succession planning, including the appointing, training, and monitoring senior management;

The Corporate Governance and Compensation Committee oversees Clearwater's compensation programs, practices, and the performance of senior management. The board approves the CEO's corporate objectives and compensation. The Board also ensures that adequate provisions have been made for senior management training and succession. The Board considers as one of its most critical functions the selection of a Chief Executive Officer and senior management team that fits Clearwater's current culture, understands its business strategy and inspires others to follow their lead. The Board expects succession planning and management development to be a key ongoing process with a detailed annual report on these areas to be made to the Corporate Governance and Compensation Committee and to the full Board.

d) a corporate communications policy for the corporation; and

The board approves all the company's major communications, including annual and quarterly reports, proxy circulars, annual information forms, financing documents and related news releases. The company communicates through a number of channels including its web site. The board approved the company's disclosure policy, which covers the accurate and timely communication of all-important information. This policy is updated annually and includes procedures for communication with analysts, investors and the media.

e) the integrity of the corporation's internal control and management information systems

The board, through the audit committee examines the effectiveness of the company's internal control processes and management information systems. The board consults with management of the company to ensure the integrity of these systems.

2) The board of Directors of every corporation should be constituted with a majority of individuals who qualify as unrelated directors (independent of management, free from conflict of interest).

The company's board of directors currently consists of seven individuals, five of whom are unrelated.

3) Disclose whether or not each director is unrelated and explain.

Purdy Crawford — unrelated non-management

James Gogan — unrelated non-management

Thomas Traves — unrelated non-management

George Armoyan — unrelated non-management

Hugh Smith — unrelated non-management

John Risley — related as he is a significant shareholder and non-executive chair

Colin MacDonald — related as he is a significant shareholder and the CEO

The Corporate Governance and Compensation Committee reviews on an annual basis any relationships between outside directors and the company, which might be construed in any way to compromise the designation of any director as being independent or unrelated to the company. The objective of such review will be to determine the existence of any relationships, to ensure that the composition of the board remains such that a significant majority of the directors are independent and unrelated and that where any relationships with the company exist, the director is acting appropriately.

A director shall be considered independent if he or she: (1) is not currently employed by the company, (2) has not been employed by Clearwater during at least the last three years, (3) has no significant commercial business, family or other relationships with the company, either directly or through his or her employment or other affiliation with a firm or other organization that has such a relationship with Clearwater, that could interfere with his or her exercise of independence (A) of judgment and (B) from Clearwater and management, and (4) has not otherwise received significant remuneration from Clearwater in any capacity other than as a director during at least the last three years. This policy may be modified temporarily if, due to unforeseen circumstances, strict adherence would be detrimental to the responsibilities and performance of the Board.

4) The board of directors of every corporation should appoint a committee of independent directors with the responsibility for proposing to the full board new nominees to the board and for assessing directors on an ongoing basis.

The board is responsible for identifying suitable candidates to be recommended for election to the board by the shareholders. The Corporate Governance and Compensation Committee has been given the responsibility of gathering the names of potential nominees, screening their qualifications against the current skill and experience needs of the board and making recommendations in this regard to the full Board. All directors are encouraged to identify potential candidates. Additional direct input to the process is provided by the Chairman and the CEO. An invitation to stand as a nominee for election to the board will normally be made to the candidate by the board through the Chairman of the Corporate Governance and Compensation Committee in consultation with the Chairman and the CEO.

The Corporate Governance and Compensation Committee will review, as needed, the general and specific criteria applicable to candidates to be considered for nomination to the board. The objective of this review will be to maintain the composition of the board in a way which provides the best mix of skills and experience to guide the long-term strategy and ongoing businesses and operations of the company. This review will take into account the desirability of maintaining a reasonable diversity of background, skills and experience and personal

characteristics, including, but not otherwise limited to, age, gender and geographic location/residence, among the directors along with the key common characteristics required for effective board participation.

Notwithstanding the above, as long as Clearwater Find Foods Incorporated owns more than 45% of the units of the Fund on a fully diluted basis, it has the right to nominate the majority of the board of directors.

5) Every board of directors should implement a process to be carried out by the nominating committee or other appropriate for assessing the effectiveness of the board as a whole, the committees of the board, and individual directors.

   The Corporate Governance and Compensation Committee is responsible for making an annual assessment of the overall performance of the board, board committees, and of each individual director's contribution, and reporting on the results of that assessment. The objective of this review is to contribute to a process of continuous improvement in the board's execution of its responsibilities. It is expected that the result of such reviews will be to identify any areas where the directors and/or management believe that the Board could make a better collective contribution to overseeing the affairs of Clearwater and meeting its overall responsibilities.

6) Every corporation, as an integral element of the process for appointing new directors, should provide an orientation and education program for new recruits to the board.

   New directors appointed to the board are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the businesses and operations of Clearwater, documents from recent board meetings and opportunities for meeting and discussions with senior management and other directors. The details of the orientation of each new director are tailored to that director's individual needs and areas of interest. No new directors were appointed in 2004.

7) Every board of directors should examine its size and, with a view to determining the impact of the number upon effectiveness, undertake where appropriate, a program to reduce the number of directors to a number which facilities more effective decision-making.

   The board currently consists of seven directors. It is the general consensus of the board that these numbers are large enough to provide a diversity of expertise and opinion, yet small enough to allow for efficient operation and decision-making. The Corporate Governance and Compensation Committee will make recommendations to the Board when it believes a change would be in the best interests of Clearwater.

8) The board of directors should review the adequacy and form of the compensation of directors and ensure the compensation realistically reflects responsibilities and risk involved in being an effective director.

   The Corporate Governance and Compensation Committee reviews the compensation of outside directors at least annually. Inside directors are not compensated. The Committee will make recommendations to the board for consideration when it believes changes in compensation are warranted.

   The Board has determined that ownership of the Clearwater units by directors represents one way of better aligning the interests of directors with those of the shareholders of Clearwater. In 2003 the board approved a policy that requires independent directors to hold, over time, a minimum number of Clearwater's units.

9) Committees of the board should generally be composed of outside directors, a majority of whom are unrelated directors, although some board committees, such as executive compensation, may include one or more inside directors.

   The board has appointed two committees: The Audit Committee and the Corporate Governance and Compensation Committee. All members of both committees are outside and unrelated.

   The Audit Committee has three members including James Gogan, the chair, George Armoyan and Hugh Smith. This committees' responsibilities include:

   - *reviewing Clearwater's annual consolidated financial statements and quarterly financial statements before the board approves them*
   - *working with management and the auditors to develop the annual audit plan and reviews the auditor's recommendations on internal controls*

- *approving all non-audit work performed by the external auditors*
- *meeting with the auditors independently of management at least quarterly*
- *reviewing Clearwater's annual and long-term financial plans, proposals for major borrowings and the issuing of securities*
- *making recommendations to the board with respect to financial strategies and policies and*
- *financial risk management.*

The mandate of the Audit Committee can be found on Clearwater's website at www.clearwater.ca.

The Corporate Governance and Compensation Committee has three members including Purdy Crawford, the chair, James Gogan and Tom Traves. This committee is responsible for developing and maintaining Clearwater's corporate governance and compensation practices, including:

- *defining the structure and composition of the board and board committees*
- *defining the relationship, roles and authority of the board and management*
- *identifying and recommending suitable director candidates*
- *recommending to the board director's compensation*
- *developing and recommending management compensation policies, programs and levels to the board to make sure they are aligned with unitholders' interests and corporate performance*
- *disclosing Clearwater's approach to corporate governance and executive compensation*
- *developing performance objectives for the CEO and assessing the CEO's performance against them and*
- *reviewing succession plans for senior officers.*

The mandate of the Corporate Governance and Compensation Committee can be found on Clearwater's website at www.clearwater.ca.

10) Every board of directors should expressly assume responsibility for, or assign to a committee of directors the responsibility for, developing the company's approach to corporate governance issues. The committee would, amongst other things, be responsible for the corporation's responses to these governance guidelines.

    The Corporate Governance and Compensation Committee is responsible for reviewing the overall governance principles for Clearwater, recommending any changes to these principles, and monitoring their disclosure. This committee monitors best practices among major Canadian companies to ensure that Clearwater continues to carry out high standards of corporate governance.

11) The board of directors, together with the CEO, should develop position descriptions for the Board and for the CEO, involving the definition of the limits to management's responsibilities. In addition, the board should approve or develop the corporate objectives, which the CEO is responsible for meeting.

    The Corporate Governance and Compensation Committee is responsible for overall governance for Clearwater and has established clear sets of responsibilities for the Board as a whole, for its committee and for the CEOs. It also has done this for the CEO, with defined limits to his responsibilities.

    The Corporate Governance and Compensation Committee conducts an annual review of the performance of the CEO as measured against objectives established mutually in the prior year by the Committee and the CEO and reviewed by the Chairman of the committee with the full board. The results of this annual review are communicated to the full board, which will then make an evaluation of the overall performance of the CEO. This performance evaluation will be communicated to the CEO by the Chairman of the Committee. The evaluation will also be used by the committee in its deliberations concerning the CEO's annual compensation. The board has established limits on management's authority depending on the nature and size of the proposed transaction. These limits permit some flexibility within approved budgets but otherwise will not be exceeded without board approval.

The full Board reviews and approves annual strategic and operating and financial objectives; management prepares these and the CEO is accountable for them.

12) Every board of directors should have in place structures and procedures to ensure that the board can function independently of management.

The Corporate Governance and Compensation Committee is responsible for administering the board's relationship with management and the CEO. The committee may convene meetings of the board without management present. In addition, any member of the board may call a meeting to be held without management present. Members of the Audit Committee meet directly with the company's auditors at least quarterly without management present.

13) The audit committee of every board of directors should be composed only of outside directors. The roles and responsibilities of the audit committee should be specifically defined so as to provide appropriate guidance to audit committee members as to their duties. The audit committee should have direct communication channels with the internal and external auditors to discuss and review specific issues as appropriate. The audit committee duties should include oversight responsibility for management reporting on internal control. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the audit committee to ensure that management has done so.

The Audit Committee consists only of unrelated directors and has direct access to external auditors. The committee has a defined mandate, which is described in the response to guideline number 9.

14) The board of directors should implement a system which enables an individual director to engage an outside advisor in appropriate circumstances, at the expense of the corporation in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the board.

Individual outside directors or any group or committee of outside directors may, as appropriate, need the services of an outside advisor, at company expense, to assist on matters involving their responsibilities as a board member. Prior to engaging an outside advisor the director shall obtain the prior authorization of the Corporate Governance and Compensation Committee, in accordance with the charter of that committee. No outside advisors were engaged in 2004.