THE ARCTIC GROUP INC.

INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by the management of The Arctic Group Inc. (the “Corporation”) for use at the Annual Meeting of Shareholders of the Corporation (the “Meeting”) to be held at the Fairmont Winnipeg Hotel, The Lombard Room, Concourse Level, 2 Lombard Place, Winnipeg, Manitoba, on June 28, 2001 at the hour of 10:00 o’clock in the forenoon (Winnipeg time).

SOLICITATION OF PROXIES

The enclosed Instrument of Proxy is solicited by the management of the Corporation. The cost of such solicitation will be borne by the Corporation. It is expected that the solicitation will primarily be by mail. Proxies may also be solicited personally or by telephone by officers and directors of the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

Shareholders have the right to appoint a nominee, who need not be a shareholder, to represent them at the meeting other than the persons designated in the Instrument of Proxy and may do so by inserting the name of the appointed representative in the blank space provided in the first page of the Instrument of Proxy.

An instrument of proxy will not be valid for the Meeting or any adjournment of the Meeting unless it is completed and signed by the shareholder or by his attorney authorized in writing and delivered to the Computershare Trust Company of Canada, 1190 – 201 Portage Avenue, Winnipeg, Manitoba, R3B 3K6 not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting or any adjournment of the Meeting, at which the proxy is to be used.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it, any time before it is exercised, by instrument in writing executed by the shareholder or by the shareholder’s attorney authorized in writing and deposited either at the registered offices of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting at which time the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment of the Meeting.

VOTING OF PROXIES

The persons named in the enclosed Instrument of Proxy are directors and officers of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. Each shareholder may instruct his proxy how to vote his shares by completing the enclosed Instrument of Proxy.

The person indicated in the Instrument of Proxy shall vote the shares in respect of which they are appointed in accordance with the direction of the shareholder appointing them. **In the absence of such direction, the shares shall be voted for:**

a) the receipt of the report of the directors;

b) the receipt of the audited consolidated financial statements of the Corporation for the year ended December 31, 2000, together with the auditor's report thereon;

c) the approval of the transaction of such other business as may be properly transacted at the Meeting or at any adjournment thereof;

d) the appointment of KPMG, Chartered Accountants, as auditor of the Corporation for the ensuing year;

e) authorizing the directors of the Corporation to fix the remuneration to be paid to the auditor; and

f) the election of the persons nominated as directors.

The enclosed Instrument of Proxy confers discretionary authority upon the person indicated in the proxy with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. As of the date of this Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of the Meeting and this Information Circular. If any matters which are not now known to the directors and senior officers of the Corporation should properly come before the Meeting, the persons named in the accompanying Instrument of Proxy will vote on such matters in accordance with their best judgment.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Preferred Shares and an unlimited number of Common Shares without nominal or par value, of which 36,260,305 common shares were issued and outstanding at the date of this Information Circular.

Each Common Share entitles the holder of the Common Share to one vote on all matters to come before the Meeting. No group of shareholders has the right to elect a specified number of directors nor are there cumulative or similar voting rights attached to the Common Shares of the Corporation. The directors of the Corporation have fixed May 17, 2001, as the record date for determination of the persons entitled to receive notice of the Meeting.

Shareholders as of the record date are entitled to vote their Common Shares except to the extent that they have transferred the ownership of any of their shares after the record date. The transferees of those shares must produce properly endorsed share certificates or otherwise establish that they own the shares, and request, not later than ten (10) days before the Meeting, that their name be included in the list of shareholders for the Meeting, in which case the transferees are entitled to vote their shares at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, the only persons beneficially owning, directly or indirectly, shares carrying more than ten (10) percent of the voting rights attached to all shares of the Corporation as of the date of this Information Circular are:

Name and Municipality of Residence	Number of Shares Owned or Controlled Directly or Indirectly	Percentage of Outstanding Voting Shares
Robert Nagy St. Clements, Manitoba	6,665,373	18.38

ELECTION OF DIRECTORS

The Board of Directors of the Corporation currently consist of eight (8) directors, four (4) of whom were elected at the 2000 annual meeting for terms of longer than one year, and four (4) of whom were elected to serve until the next annual general meeting. The Corporation is required to have a minimum of one (1) director and a maximum of eleven (11) directors.

NOMINEES FOR ELECTION

The following table indicates the names of the nominees for directors and the proposed term of office, the date each such person first became a director, the principal occupation of each such person, and the number of shares of the Corporation beneficially owned or controlled (either directly or indirectly) by each such person. The information contained in the table as to number of shares of the Corporation beneficially owned or controlled, directly or indirectly, is based upon information furnished to the Corporation by the respective nominees.

Name, Residence, Date First Became a Director	Proposed Term	Principal Occupation During the Past 5 Years	Common Shares Beneficially Owned and/or Controlled
Richard Johnson Lubbock, Texas December 8, 1997	1 Year	Director of the Corporation from December 8, 1997 to present. President and Director of Plainview Ice & Cold Storage, Inc. until July 1, 2000 and Director of Host Ice & Beverage Equipment Co., Inc. Past Chairman of South Western Ice Association.	2,150,000
David R. Swaine (1)(2)(3) Toronto, Ontario December 29, 1999	1 Year	Executive Vice-President and Chief Operating Officer of RoyNat Inc.	Nil
Gregory M. Daniels (1)(2)(3) Toronto, Ontario March 16, 2000	1 Year	President of Citicorp Capital Investors Ltd. and a Managing Director of Citibank N. A. in Canada.	Nil
Gary Filmon (1)(2)(3) Winnipeg, Manitoba May 25, 2000	1 Year	Premier of the Province of Manitoba. Effective May 25, 2000 Corporate Director and Business Consultant.	2,000

Notes:
(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Corporate Governance Committee.

CONTINUING DIRECTORS

The persons on the following list were elected as directors of the Corporation at the 2000 annual meeting of Shareholders to hold office until immediately prior to the commencement of the annual meeting of the Corporation to be held in the year indicated. The information contained in this table as to the number of shares of the Corporation beneficially owned or controlled, directly or indirectly, is based upon information furnished to the Corporation by the respective Directors.

Name, Residence, Date First Became a Director	To Hold Office Until	Principal Occupation During the Past 5 Years	Common Shares Beneficially Owned and/or Controlled
Robert Nagy St. Clements, MB March 1, 1996	2003 (3 year term)	Chief Executive Officer, Chairman of the Board and a Director of the Corporation since March 1, 1996 and President of the Corporation until October 1, 2000. President and Director of various subsidiaries of the Corporation.	6,665,373 (1)

James E. Clark (3)(4)(5) Vancouver, BC August 23, 1996	2003 (3 year term)	A Director of the Corporation from August 23, 1996 to present and Vice-President, Finance and Acquisitions, Chief Financial Officer until June 22, 1998. President and director of Jecco Properties Ltd. from 1991 to present. President and Director of Moray Channel Enterprises Ltd. from 1991 to present.	1,501,400 (2)
Peter Hyndman(3)(4)(5) Vancouver, BC August 23, 1996	2002 (2 Year Term)	Director of the Corporation from August 23, 1996 to present. Associate Counsel at Russell & DuMoulin, now Faskin Martineau DuMoulin LLP, Barristers & Solicitors, Vancouver, British Columbia from October 1997 to present. Corporate Secretary of The Loewen Group Inc. from January 1990 to present. Director of The Loewen Group Inc. from June, 1986 to March, 1998. The Loewen Group Inc. is a public company based in Vancouver. Mr. Hyndman was an elected member of the British Columbia Legislature from 1979 to 1983 and served as a Minister of Consumer and Corporate Affairs during two years of that term. He is a Governor of the Business Council of British Columbia and a Trustee of Pacific Salmon Foundation and the Steelhead Habitat Restoration Corporation	Nil
Keith Burrows (3)(4)(5) Winnipeg, Manitoba August 23, 1996	2002 (2 Year Term)	Director of the Corporation from August 23, 1996 to present. Chairman of eZedia Inc., a leader in digital media software technology. President of Bristol Aerospace Limited from June, 1992 until July, 1997. Mr. Burrows also previously served as a Director of Rolls-Royce Industries Canada Inc. and as a member of the International Trade Advisory Committee (ITAC).	Nil

Notes:

(1) 4,990,343 of these shares are held directly by Group IV Inc., and 750,000 of these shares are held directly by Alberta Ice Services Ltd., each of which corporations are controlled by Mr. Nagy.

(2) These shares are held directly by Jecco Properties Ltd., a corporation controlled by Mr. Clark.

(3) Member of the Audit Committee.

(4) Member of the Compensation Committee.

(5) Member of the Corporate Governance Committee

EXECUTIVE COMPENSATION

The following table, sets forth information concerning the compensation of those persons (the “Named Executive Officers”) for the financial year ended December 31, 2000 for the Corporation’s Chief Executive Officer and its four other most highly compensated executive officers for services rendered by such persons to the Corporation and its subsidiaries.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation	All other Compensation ($)
		Salary ($)	Bonus ($)	Other Annual Compensation ($)	Securities Under Options Granted (#)	
Robert Nagy, Chairman of the Board and Chief Executive Officer (8)	2000 1999 1998[2] 1998[1]	175,000 150,000 100,000[3] 60,000[3]	Nil Nil Nil Nil	Nil Nil Nil Nil	50,000 50,000 Nil 200,000	Nil Nil Nil Nil
Keith Corbin, Vice-President, Sales & Marketing	2000 1999 1998 (4)	US 98,077 US 100,000 US 23,076	US 30,000 Nil Nil	Nil Nil Nil	50,000 Nil Nil	Nil Nil Nil
Richard Thibault, Vice-President, Production Operation	2000 1999 1998[2] [5]	152,250 150,000 100,000	Nil 30,000 Nil	Nil Nil Nil	15,000 25,000 Nil	NIl Nil Nil
William Robertson, Chief Financial Officer	2000 1999(6)	135,000 63,750	Nil 30,000	Nil Nil	50,000 50,000	Nil Nil
Michael Pyle, President and Chief Operating Officer (9)	2000 1999 1998[2][7]	160,000 150,000 80,000	Nil 100,000 45,000	Nil Nil Nil	50,000 50,000 50,000	Nil Nil Nil

Notes:

(1) Year ending April 30.
(2) The Corporation changed its financial year end in 1998 to year ending December 31.
(3) The compensation was paid to a corporation controlled by Mr. Nagy.
(4) Mr. Corbin joined a subsidiary of the Corporation on September 28, 1998.
(5) Mr. Thibault joined a subsidiary of the Corporation on May 1, 1998.
(6) Mr. Robertson joined the Corporation on October 4, 1999 and resigned effective April 27, 2001.
(7) Mr. Pyle joined the Corporation on July 1, 1998.
(8) Mr. Nagy resigned as President of the Corporation on October 1, 2000.
(9) Mr. Pyle was appointed President of the Corporation on October 1, 2000

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The following summarizes the Corporation's corporate governance practices:

Board Responsibilities and Mandate

The legal responsibilities of the Board of Directors of the Corporation are set forth in the Alberta Business Corporations Act. The Board of Directors has overall responsibility to supervise the management of the business and affairs of the Corporation. Responsibility for the day-to-day management of the Corporation is delegated to the Chief Executive Officer and to the President and in turn to the other officers of the Corporation, with the objective of enhancing shareholder value.

The Board continually reviews its specific responsibilities, which extends to the subsidiaries of the Corporation and includes consideration of the limits currently placed on the authority of management.

The Board approves all long term strategies and the annual capital and operating plans and budgets of the Corporation. The principal risks of the Corporation are identified and assessed, along with the systems and processes used to manage these risks. Once approved, all amendments to the capital and operating plans and budgets must be approved by the Board.

The Board reviews and approves the annual report containing the annual financial statements, the quarterly financial reports and other documents that are required to be filed with securities regulators and made available to the public. Communications from shareholders are dealt with by senior management and summarized for review by the Board.

The Board, has delegated responsibility to the Audit Committee of the Board of Directors, to assess the effectiveness of internal control and management information systems of the Corporation.

Board Organization and Structure

As of December 31, 2000, the Board of Directors was comprised of eight members. Six of the directors (James E. Clark, Peter Hyndman, Keith Burrows, David R. Swaine, Gregory M. Daniels and Gary Filmon) are unrelated directors. For this purpose an unrelated director is a director who is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the ability of a director to act with a view to the best interests of the Corporation, other than interests and relationships arising from shareholding. One of the directors (Robert Nagy) is an officer of the Corporation and one director (Richard Johnson) is an officer of a subsidiary and are therefore considered to be management directors. On December 31, 1999 the Corporation was listed on the Toronto Stock Exchange (the "TSE") and in accordance with the Report of the TSE Committee on Corporate Governance in Canada, the Board of Directors was composed of a majority of unrelated directors.

The Board of Directors has not adopted a formal policy for the recruitment of directors.

There are three committees of the Board, consisting of a Corporate Governance Committee, a Compensation Committee and an Audit Committee. Each committee is composed of the six unrelated directors.

Board Processes

Members of the Board of Directors participate in setting the agenda for meetings of Directors and senior management ensures that relevant information on agenda topics is provided to them on a timely basis. The minutes of the Board document discussions and record decisions.

The Audit Committee

The Audit Committee meets with the external auditors to review the Corporation's audit plan, internal auditing process and financial reporting and statements of the Corporation and to discuss specific issues and recommendations as appropriate. The external auditors have unrestricted access to the Audit Committee, including the ability to meet with the Audit Committee without management being present.

The Compensation Committee

The mandate and activities of the Compensation Committee are set forth on page 12 of this Information Circular.

The Corporate Governance Committee

The Corporate Governance Committee responsibilities include developing and reporting to the Board on governance issues.

EMPLOYMENT AGREEMENTS

The Corporation entered into an employment agreement with Robert Nagy, effective as of May 1, 1998. The contract is for a term of five years and provides for an annual salary of $150,000 (subject to annual cost of living adjustment). The contract provides that in the event of a change of control of the Corporation, Mr. Nagy would be entitled to a lump sum payment for all outstanding monies due under the contract for the outstanding term. By amendment approved by the Board and effective January 1, 2000, the annual salary payable for the remainder of the term was increased to $175,000.

In September 1998, Mr. Keith Corbin entered into an employment agreement with Arctic Iowa Inc., which contract was for a term of five years. The contract provides that Mr. Corbin would be paid an annual salary of U.S. $100,000.

In May 1998, Thibault & Brunelle Ltée entered into an employment agreement with Mr. Richard Thibault, which contract was for a term of five years. The contract provided that Mr. Thibault would be paid an annual base salary of $150,000, subject to cost of living increases. The contract also provided that if as a result of a change of control of voting shares for the Corporation, Mr. Robert Nagy were to cease to hold his position as Chairman and Chief Executive Officer of the Corporation, Mr. Thibault may terminate the agreement and thereafter be entitled to receive an indemnity equivalent to one year of his base salary.

In October 1999, the Corporation entered into an employment agreement with Mr. William Robertson, which contract was for a term of five years. The contract provided that Mr. Robertson was to be paid an annual salary of $135,000, subject to a cost of living increase. The contract provided for the grant of stock options by the Corporation. The contract also contained a provision that if there was a change of control of the Corporation or in the event Robert Nagy ceased to be CEO and Chairman of the Board, certain termination payments were due dependent upon the period in which such change occurred. Mr. Robertson resigned with notice to the Corporation effective April 27, 2001.

In August 1998, the Corporation entered into an employment agreement with Mr. Michael Pyle, which contract was for a term of five years. The contract as amended provides that Mr. Pyle is to be paid an annual salary of $160,000, subject to cost of living increases. The contract provides for the grant of stock options by the Corporation. The contract also contains a provision that if there was a change of the person occupying the office of Chief Executive Officer, the contract may be terminated at Mr. Pyle’s option following which certain termination payments become payable dependent upon the period of the term then remaining.

STOCK OPTION PLAN

Pursuant to the existing Stock Option Plan, as amended, the Board or committee thereof, may allocate non-transferable options to purchase Common Shares of the Corporation to directors, officers, employees and consultants and other persons who provide on-going services (the "Optionees") to the Corporation and its subsidiaries. The purpose of the Stock Option Plan is to develop the interest of the Optionees in the growth and development of the Corporation by providing such persons with the opportunity to acquire an increased proprietary interest in the Corporation and to better enable the Corporation and its subsidiaries to attract and retain persons of desired experience and ability.

The Stock Option Plan is subject to the rules of the TSE and of any other stock exchange or exchange facility through which the Common Shares may at any time be traded (the "Rules"). To the extent that any provision of the Stock Option Plan conflicts with any Rule, such Rule shall govern and the Stock Option Plan shall be deemed to be amended to be consistent therewith.

Stock Options granted under this Stock Option Plan may be exercisable for a period of up to five years. The Board will determine the applicable expiry date of a particular stock option at the time of grant of such stock option. In addition, Stock Options of an Optionee will expire no more than one hundred and eighty (180) days following the date of death of such Optionee and no more than ninety (90) days after the date such Optionee ceases to be a director, officer, or employee of the Corporation for any reason other than death.

At the time of grant of a Stock Option, the Board shall fix the exercise price, which price shall not be less than the closing price of the Common Shares on the TSE on the first day preceding the date of grant on which the Common Shares traded on the TSE.

The number of Common Shares reserved for issuance pursuant to the Stock Option Plan at this time is a maximum of 3,600,000.

Stock Options may be exercised in whole or in part by delivery to the Corporation at its head office of a written notice that specifies the number of Common Shares in respect of which such option is being exercised together with payment in an amount equal to the exercise price thereof multiplied by such number of Common Shares.

The following table sets out the stock options granted pursuant to the Corporation's Stock Option Plan to the Named Executive Officers during the year ended December 31, 2000.

OPTION GRANTS DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

Name	**Securities Under Options Granted (#)**	**% of Total Options Granted to Employees in Financial Year**	**Exercise or Base Price ($/Security)**	**Market Values of Securities Underlying Options on the Date of Grant ($/Security)**	**Expiration Date**
Robert Nagy	50,000	17.24	1.50	1.50	March 16, 2005
Keith Corbin	50,000	17.24	1.50	1.50	March 16, 2005
Richard Thibault	15,000	5.14	1.50	1.50	March 16, 2005
William Robertson	50,000	17.24	1.50	1.50	March 16, 2005
Mike Pyle	50,000	17.24	1.50	1.50	March 16, 2005

The aforesaid options have not been exercised as of the date of this Information Circular.

The following table sets out the number of options exercised, unexercised options and the value of unexercised "In The Money" options as at December 31, 2000 for the Named Executive Officers. No options have been exercised by the Named Executive Officers.

AGGREGATED OPTION EXERCISES DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR AND FINANCIAL YEAR ENDED OPTIONS VALUES

Name	**Securities Acquired on Exercise ($)**	**Aggregate Value Realized ($)**	**Unexercised Options at December 31, 2000 (#)**	**Value of Unexercised In-The-Money Options at December 31, 2000[(1)] ($)**
Robert Nagy	Nil	N/A	500,000 exercisable	26,000
Keith Corbin	Nil	N/A	50,000 exercisable	0
Richard Thibault	Nil	N/A	40,000 exercisable	0
William Robertson	Nil	N/A	100,000 exercisable	0
Michael Pyle	Nil	N/A	150,000 exercisable	0

Note:

(1) The Value of the Unexercised In-The-Money Options at the financial year end is the difference between the option price and the closing sale price of the Corporation's Common Shares on the TSE on December 29, 2000. The "gain" has not and may not be exercised. Actual gains, if any, on the exercise will depend on the value of the Common Shares on the date of exercise. The closing price of the Common Shares on the TSE, on December 29. 2000 was .88¢.

COMPOSITION OF COMPENSATION COMMITTEE

The Compensation Committee of the board of directors of the Corporation for the fiscal year ending December 31, 2000 consisted of Keith Burrows (Chairman), Peter Hyndman, James E. Clark, David R. Swaine, Gregory M. Daniels and Gary Filmon.

REPORT ON EXECUTIVE COMPENSATION

Salaries of executive officers (other than the Chairman of the Board and Chief Executive Officer) have been based upon recommendations made by the Chairman of the Board and Chief Executive Officer to the Compensation Committee. The Compensation Committee reviews and recommends to the Board for approval the executive compensation policies of the Corporation and the compensation paid to the Chairman of the Board and Chief Executive Officer and other officers of the Corporation and its subsidiaries.

Executive Compensation Philosophy

The program of executive compensation of the Corporation is designed to provide incentives for the enhancement of shareholder value, the successful implementation of the Corporation's business plans and improvement in corporate and personal performance. The program is based on a pay-for-performance philosophy and consists of three components: base salary, annual incentive (bonus) paid in cash and long-term equity based incentive.

The overall objectives of the program are to:

a) attract and retain qualified executives critical to the success of the Corporation;

b) provide fair and competitive compensation;

c) integrate compensation with the Corporation's business plans;

d) align the interests of the management with those of shareholders; and

e) reward both business and individual performance.

The Compensation Committee annually reviews with the Chairman of the Board and Chief Executive Officer the compensation packages and the performance of all senior executives of the Corporation and its subsidiaries other than the Chairman of the Board and Chief Executive Officer. The Compensation Committee recommends to the Board for approval, the salary levels, bonus potential and entitlement and participation in equity based long-term incentives of all senior executives, including the Chairman of the Board and Chief Executive Officer.

Base Salary

The base salary of each executive is determined by an assessment of his or her sustained performance and consideration of competitive compensation levels for the markets in which the Corporation operates.

Annual Incentives

Certain executive officers and senior employees of the Corporation are eligible for annual cash bonuses based on certain performance criteria, principally related to the Operating Profit (before interest, depreciation and amortization and income taxes) on a regionally or corporate basis depending upon the position and seniority of a particular officer or employee as compared to Budget of the Region or Corporation as the case may be, which establishes a direct link between executive compensation and the operating performance of the Corporation. Targeted Operating Profit levels for the overall Corporation and each operating division for each fiscal year are based on the budgeted Operating Profit, approved by the Board of Directors at the beginning of that financial year.

The maximum annual incentive opportunity for an individual executive is established as a percentage of Base Salary. Actual bonuses are determined principally by applying a formula based on Corporate or divisional performance and to a lesser extent, individual merit, to each individual's bonus opportunity. Applying this formula results in payments at the targeted opportunity level when budgeted Operating Profit is achieved, payments below the targeted level when Operating Profit is below budget and payments above the targeted level when Operating Profit is over budget.

Long Term Equity Based Incentives

Long term incentives are provided through the Corporation's Stock Option Plan.

Salary of the Chairman of the Board and Chief Executive Officer

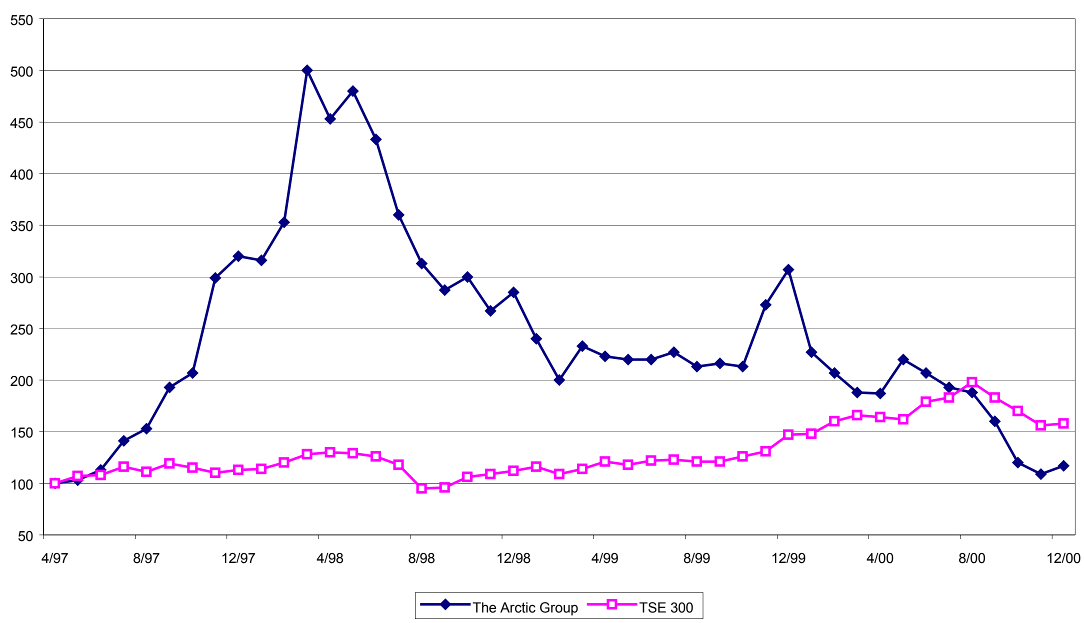
The salary of the Chairman of the Board and Chief Executive Officer is determined by the Board of Directors on the recommendation of the Compensation Committee in the absence of the Chairman of the Board and Chief Executive Officer. The decision to change the salary of the Chairman of the Board and Chief Executive Officer is based upon the quality of job performance which the Committee believes the Corporation has received from the Chairman of the Board and Chief Executive Officer as evidenced by profitability, growth and initiatives undertaken by the Corporation to strengthen and enhance its competitive position. These factors receive about equal weight in the deliberations of the members of the Committee, but overall, the Committee expects and looks for evidence that the Chairman of the Board and Chief Executive Officer is providing leadership to improve shareholder value in the short and long term.

PERFORMANCE GRAPH

The following graph compares the cumulative total shareholder returns (assuming an investment of $100.00 on April 30, 1997) on the Corporation's common shares during the period April 30, 1997 to December 31, 2000 with the cumulative return of the Toronto Stock Exchange 300 Stock Index during the same period. The price performance of the Corporation's common shares as set out on the graph does not necessarily indicate future price performance.

Comparison of Shareholder Return

Between The Arctic Group and the TSE 300 Cumulative Return



COMPENSATION OF DIRECTORS

During the financial year ended December 31, 2000, each external director (directors of the Corporation who are not salaried employees or officers of the Corporation or its subsidiaries) of the Corporation received five hundred dollars ($500) per day for each meeting attended and where the meeting was outside the external director's place of residence an additional amount of two hundred dollars ($200) per day. External directors also received two hundred and fifty dollars ($250) for each board meeting attended by telephone and each committee meeting attended. In addition each external director received an annual retainer of twelve thousand dollars ($12,000) and was entitled to receive ten thousand (10,000) stock options per year.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

The Directors, Officers and principal shareholders of the Corporation (and the known associates and affiliates of such persons) have had no direct or indirect interest in any proposed or ongoing material transaction involving the Corporation in the last fiscal year, except the following:

a) Pacific Ice purchases dry ice for resale from Dry Ice and Gases (Western) Ltd. ("Dry Ice"), a corporation controlled by Robert Nagy, the Chairman, and Chief Executive Officer and a director of the Corporation. The dry ice is sold to Pacific Ice at the wholesale prices charged by Dry Ice to third party customers.

b) Arctic Ice and Alberta Ice provide dry ice cutting and storage services to Dry Ice on a fee per pound basis which is the same as is charged to third party customers.

c) Dry Ice operates out of the same facilities as the Corporation in Calgary and Winnipeg. Certain Dry Ice employees provide accounting and administrative services to the Corporation on a cost basis.

d) Effective January 28, 2000 the Corporation acquired all the issued and outstanding shares of Arctic Glacier Canadian Water Co. Inc. ("Arctic Glacier") from Peggy Johnson a director of a subsidiary corporation. The shares of Arctic Glacier were acquired for fair value consideration of $1,399,000 paid with a combination of $899,000 in cash and a promissory note of $500,000.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

As of the date of this Information Circular no directors, executive officers, senior officers or associates or affiliates of such director, executive officer or senior officer is or has been indebted to the Corporation or its subsidiaries since the incorporation of the Corporation or since the last completed financial year of any subsidiary.

LIABILITY INSURANCE FOR DIRECTORS AND OFFICERS

The Corporation maintains insurance for the benefit of its directors, officers and executives against liabilities incurred by them in such capacities, excluding liabilities brought about or contributed to by dishonesty of the insured or based upon or attributable to any property or advantage gained by the insured and to which the insured was not legally entitled. The policy covers claims made against the insureds during the policy period with a limit of $25 million during the policy year and a limit of $25 million in respect of each claim. The premium payable by the Corporation for this coverage during the year ended December 31, 2000 was $48,750.

APPOINTMENT OF AUDITORS

The management of the Corporation proposes to nominate the Corporation's existing auditors, KPMG, Chartered Accountants, as auditors for the Corporation until the next annual general meeting of shareholders at a remuneration to be fixed by the directors. KPMG has been the Corporation's Auditor since shortly after incorporation.

FINANCIAL STATEMENTS

The Corporation's audited consolidated financial statements for the financial year ended December 31, 2000 are included with this Information Circular.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting it is the intention of the persons indicated in the Instrument of Proxy to vote the same in accordance with their best judgment in such matters.

APPROVAL

The contents and the sending of this Information Circular have been approved by the Board of Directors for the Corporation.

"Hugh A. Adams"
HUGH A. ADAMS,
Corporate Secretary

May 16, 2001