

*The instructions accompanying this Election Letter, as well as the Circular referred to below, should be read carefully before completing this Election Letter. If you have any questions or require any assistance in completing this Election Letter, please contact Ken Rogers of Foremost Industries Inc. at 403-295-5800.*

## **FOREMOST INDUSTRIES INC.**

## **ELECTION LETTER**

TO: Foremost Industries Inc.  
 c/o Computershare Trust Company of Canada  
 600, 530 – 8<sup>th</sup> Avenue S.W.  
 Calgary, Alberta T2P 3S8

Reference is made to the Notice of Special Meeting and Management Information Circular (the "Circular") dated November 16, 2001 relating to the Special Meeting ("the Meeting") of holders ("Shareholders") of common shares ("Common Shares") and holders of options to purchase Common Shares of Foremost Industries Inc. ("Foremost") to be held on December 18, 2001 to consider a special resolution ("Arrangement Resolution") to reorganize Foremost pursuant to an arrangement to be effected in accordance with Section 186 of the *Business Corporations Act* (Alberta) (the "Arrangement") described in the Circular. Only Shareholders are required to complete this Election Letter.

### **ELECTION**

Pursuant to the Arrangement as described in the Circular, the undersigned Shareholder hereby elects to receive in consideration of that number of Common Shares described below, either cash under the Cash Option, Common Trust Units under the Trust Unit Option, or a combination thereof. Please indicate the number of Common Shares to be applied to each option.

<b>NUMBER OF COMMON SHARES</b>	<b>OPTION</b>
_____ Common Shares	<i>Cash Option</i> - consisting of a cash payment of \$4.00 for each Common Share; and/or
_____ Common Shares	<i>Trust Unit Option</i> - consisting of one Common Trust Unit ("Common Trust Unit") of Foremost Industries Income Fund (the "Fund") for each Common Share.

**IF AN ELECTION IS NOT MADE OR IF THE NUMBER OF SHARES SELECTED ABOVE IS LESS THAN THE AGGREGATE NUMBER OF COMMON SHARES HELD BY THE UNDERSIGNED SHAREHOLDER, THE SHAREHOLDER WILL BE DEEMED TO HAVE ELECTED TO RECEIVE THE CASH OPTION IN RESPECT OF SUCH REMAINING OR UNALLOCATED COMMON SHARES (subject to pro ration in the event the Maximum Cash Amount is exceeded and, where such amount is exceeded, Shareholders holding less than 100 Common Shares will be granted priority to receive the cash consideration under the Cash Option)**

This Election Letter, properly completed, should be delivered in person or sent by mail or facsimile to Foremost Industries Inc. c/o Computershare Trust Company of Canada ("Computershare") at Suite 600, 530 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 3S8 Phone No.: 1-888-267-6555, Fax No.: 403-266-1490 or to Computershare at 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 Phone No.: 1-800-663-9097, Fax No.: 416-981-9663. For e-mail inquiries, please contact Computershare at [caregistryinfo@computershare.com](mailto:caregistryinfo@computershare.com). This Election Letter, properly completed, must be received by Computershare prior to 4:30 p.m. (local time) on the business day before the Meeting. If Common Shares are held in a broker's account, Shareholders MUST contact their broker to properly provide instructions prior to the Meeting.

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**PROCESS**

A Letter of Transmittal is included with the Circular sent to all Shareholders in respect of payment of the cash consideration and/or Common Trust Units to be issued in exchange for Common Shares. If Common Shares are held beneficially in a broker's account, no Letter of Transmittal will be required and the consideration elected will be deposited in the Shareholder's brokerage account after the Arrangement.

Provided that a Shareholder has delivered and surrendered to Computershare a Letter of Transmittal duly completed and executed and such other documents as Computershare may require, including all share certificates representing such Shareholder's Common Shares, upon the Arrangement being consummated, Computershare will send a cheque representing the cash payable under the Cash Option and/or Common Trust Unit certificates to be issued under the Trust Unit Option that the Shareholder is entitled to receive, to such Shareholder by first class mail to such Shareholder's address as shown on the register of Shareholders maintained by Foremost. If the Shareholder indicates that he or she wishes to pick up the cheque representing the cash payable under the Cash Option and/or Common Trust Unit certificates representing Common Trust Units deliverable under the Trust Unit Option, then such cheque or Common Trust Unit certificates will be available at the office of Computershare indicated in the Letter of Transmittal.

Subject to any requirements of law with respect to unclaimed property, any certificate which, prior to the effective date of the Arrangement represented issued and outstanding Common Shares, has not been surrendered, along with all other instruments required by the Letter of Transmittal, on or prior to the sixth anniversary of the effective date of the Arrangement, will cease to represent any claim or interest of any kind or nature against Foremost, the Fund or Computershare.

**DESCRIPTION OF COMMON SHARES**

Name and Address of Registered Shareholder	Certificate Number(s)	Number of Common Shares

(attach a signed list, if space is insufficient)

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Name of Shareholder (Please Print)

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Email Address