

MATERIAL CHANGE REPORT

FORM 51-102F3

Item 1: Name and Address of Issuer

Foremost Industries Income Fund (the "Fund")
1225 – 64th Avenue NE
Calgary, Alberta T2E 8P9

Item 2: Date of Material Change

November 10, 2005

Item 3: News Release

The Fund issued news releases on November 10, 2005 and November 21, 2005, both of which were disseminated through CCN Matthews and filed with the applicable securities regulatory authorities via SEDAR.

Item 4: Summary of Material Change

The trustees of the Fund have unanimously approved a proposed reorganization (the "Reorganization") of the Fund into a new publicly-traded income fund ("New Fund").

Item 5: Full Description of Material Change

The Reorganization will result in unitholders of the Fund receiving one trust unit of New Fund for each unit of the Fund held. The current business and operations of the Fund will be unaffected by the Reorganization and will continue to be performed by the current management and employees of the Fund and its subsidiary entities.

The Reorganization will require the approval of at least 66 2/3% of the votes cast by unitholders at a special meeting (the "Meeting") of the Fund. The Fund announced on November 10 that the Meeting will be held on Monday, December 19, 2005. On November 21, 2005 the Fund announced that it has determined to hold the Meeting on a later date, Wednesday, December 28, 2005.

Item 6: Reliance on subsection 7.1(2) of (3) of NI 51-102

Not applicable.

Item 7: Omitted Information

No information has been omitted from this Report.

Item 8: Executive Officer

The name and business telephone number of the executive officer of Foremost Industries Inc., the administrator of the Fund, who is knowledgeable about the material change and this report is:

Craig Bell, Director – Foremost Industries Inc., Administrator to the Fund
Tel.: (403) 571-4464

Item 9: Date of Report

DATED: November 21, 2005