FORM 51-102F3

MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company:

Badger Daylighting Inc.
2820, 715 – 5th Ave. SW
Calgary, AB T2P 2X6

ITEM 2 Date of Material Change:

March 31, 2004

ITEM 3 News Release:

A press release was issued on April 1, 2004 via Canada NewsWire.

ITEM 4 Summary of Material Change:

Badger Daylighting Inc. ("Badger") today announced that it had successfully completed its conversion into Badger Income Fund ("Badger Fund").

ITEM 5 Full Description of Material Change:

Badger Daylighting Inc. ("Badger") today announced that it had successfully completed its conversion into Badger Income Fund ("Badger Fund").

The conversion of Badger into an income fund was overwhelmingly approved at a special meeting of shareholders and optionholders on March 24, 2004. The shareholders and optionholders voted 99.9% in favour of the resolution approving the conversion pursuant to a Plan of Arrangement. The proposed conversion was also approved on March 25, 2004 by the Court of Queen's Bench of Alberta.

Under the terms of the proposed conversion, Badger shareholders have received one unit (a "Unit") of Badger Fund for every two Badger common shares held. As a result of these transactions, Badger Fund currently has 10,415,473 Units issued and outstanding (10,666,540 Units on a fully diluted basis). Badger shareholders now hold all of the outstanding Units of Badger Fund and will participate in monthly cash distributions from Badger Fund.

It is anticipated Badger Fund will commence cash distributions on May 31, 2004 to holders of Units of record on April 30, 2004. The Units of Badger Fund will trade on the Toronto Stock Exchange under the symbol "BAD.UN". It is anticipated trading under the new symbol will begin on or about April 5, 2004.

ITEM 6 Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:

Not Applicable.

ITEM 7 Omitted Information:

Not Applicable.

ITEM 8 Executive Officer:

The name and business telephone number of an executive officer of the reporting issuer who is knowledgeable about the material change and the report is as follows:

Tor Wilson President and CEO E-mail: tor@badgerinc.com	Greg Kelly, CA Vice President Finance and CFO E-mail: greg.kelly@badgerinc.com
2820, 715 – 5th Avenue SW Calgary, Alberta T2P 2X6	Phone: (403) 264 - 8500 Fax: (403) 228 – 9773

ITEM 9 Date of Report:

Dated April 1, 2004.