

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

FOREST & MARINE INVESTMENTS LTD.
500 - 345 Wallace Street
Nanaimo, British Columbia, V9R 5B6.

Item 2 Date of Material Change

August 6, 2004

Item 3 News Release

Press release issued on August 6, 2004 and disseminated through CCN Matthews.

Item 4 Summary of Material Change

We have declared a dividend of 15 cents per Common share payable on August 31, 2004 to shareholders of record as at the close of business on August 18, 2004.

Item 5 Full Description of Material Change

We have declared a dividend of 15 cents per Common share payable on August 31, 2004 to shareholders of record as at the close of business on August 18, 2004. This dividend represents a re-instatement of our previous policy of declaring semi-annual dividends. The payment of semi-annual dividends was temporarily suspended pending, among other things, the establishment of a new banking relationship, which occurred June 21, 2004.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

Item 7 Omitted Information

Nil

Item 8 Executive Officer

Contact: Nigel Burridge
Telephone: (250) 753-0141.

Item 9 Date of Report

August 6, 2004.