

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

FOREST & MARINE FINANCIAL LIMITED PARTNERSHIP, FOREST & MARINE INVESTMENT TRUST and FOREST & MARINE INVESTMENTS LTD.
500 - 345 Wallace Street
Nanaimo, British Columbia, V9R 5B6.

Item 2 Date of Material Change

December 20, 2004

Item 3 News Release

Press release issued on December 20, 2004 and disseminated through CCN Matthews.

Item 4 Summary of Material Change

Forest & Marine Financial Limited Partnership secured commercial mortgage credit facilities with Vancouver City Savings Credit Union in the aggregate amount of \$3,500,000.00 (the "Credit Facilities"). The Credit Facilities will be used to reduce Forest & Marine Financial Limited Partnership's indebtedness to CIT Business Credit of Canada Inc.

Item 5 Full Description of Material Change

Forest & Marine Financial Limited Partnership secured commercial mortgage credit facilities with Vancouver City Savings Credit Union ("Vancity") in the aggregate amount of \$3,500,000.00 (the "Credit Facilities"). The Credit Facilities will be used to reduce Forest & Marine Financial Limited Partnership's indebtedness to CIT Business Credit of Canada Inc. The Credit Facilities are secured by commercial mortgages and assignment of rents of Forest & Marine Financial Limited Partnership's real properties located at 1551 Estevan Road, Nanaimo, B.C. and 345 Wallace Street, Nanaimo, B.C. together with a general security agreement charging personal property located at, upon and/or appurtenant to such lands. In addition to the mortgage and assignment of rents and the general security agreement, Forest & Marine Financial Limited Partnership, Forest & Marine Investment Ltd. and Treesea Holdings Inc. provided Vancity with an Environmental Indemnity Agreement. Further, each of Forest & Marine Investment Ltd. and Treesea Holdings Inc. provided collateral security for the Credit Facilities by way of corporate guarantees, each limited to the amount of \$3,500,000.00.

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

December 29, 2004.