

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Newport Partners Income Fund (the “Fund”)
Scotia Plaza
50th Floor, 40 King Street West
Toronto ON M3H 3Y2

Item 2 Date of Material Change

November 28, 2005.

Item 3 News Release

A press release was issued on November 28, 2005 and was disseminated through CCN Matthews and filed on SEDAR.

Item 4 Summary of Material Change

On November 28, 2005, the Fund entered into an underwriting agreement with RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., HSBC Securities (Canada) Inc., TD Securities Inc., Orion Securities Inc., Raymond James Ltd., Research Capital Corporation, Blackmont Capital Inc. and Desjardins Securities Inc. (collectively, the “Underwriters”) pursuant to which the Underwriters have agreed to purchase on a “bought deal” private placement basis up to \$85,000,000 aggregate principal amount of subordinated unsecured convertible debentures of the Fund due December 31, 2010 (the “Debentures”). The Debentures will bear interest at a rate of 7.50% per annum payable semi-annually in arrears on June 30 and December 31 of each year commencing June 30, 2006.

It is expected that the offering will be completed on December 12, 2005.

Item 5 Full Description of Material Change

On November 28, 2005, the Fund entered into an underwriting agreement with the Underwriters pursuant to which the Underwriters have agreed to purchase the Debentures. The Debentures will bear interest at a rate of 7.50% per annum payable semi-annually in arrears on June 30 and December 31 of each year commencing June 30, 2006.

The Debentures will be convertible, at the option of the holder, at any time prior to maturity into a maximum of 8,947,369 trust units of the Fund (“Units”) based on a conversion price of \$9.50 per Unit. The Debentures will be redeemable by the Fund after December 31, 2008 and on or prior to December 31, 2009 at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume-weighted average trading price of the Units of the Fund for the 20 consecutive

trading days ending 5 trading days prior to the date on which the notice of redemption is given is at least 125% of the conversion price. The Debentures will be redeemable by the Fund after December 31, 2009 and on or prior to the maturity date at a price equal to their principal amount plus accrued and unpaid interest. In addition, subject to regulatory approval, the Fund may satisfy its obligation to repay the principal amount of the Debentures on maturity or redemption by issuing the number of Units obtained by dividing \$1,000 by 95% of the volume-weighted average trading price of the Units on the Toronto Stock Exchange ("TSX") for the 20 consecutive trading days ending five trading days preceding the date fixed for redemption or the maturity date, as applicable.

The proceeds of the offering will be used by the Fund to repay indebtedness incurred under the Fund's credit facilities, to make future acquisitions and for general business purposes.

It is expected that the offering will be completed on December 12, 2005.

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

For further information please contact Kelly Baird, Chief Financial Officer of Newport Partners GP Inc. at (416) 867-8579.

Item 9 Date of Report

December 6, 2005.

**NEWPORT PARTNERS INCOME FUND,
by its attorney, NEWPORT PARTNERS GP
INC.**

By: (signed) Kelly Baird

Kelly Baird

Chief Financial Officer