FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

AMR Technologies Inc.
121 King Street West, Suite 1740
Standard Life Centre
Toronto, Ontario M5H 3T9

Item 2 Date of Material Change

July 8, 2005.

Item 3 News Release

The press release was disseminated by AMR Technologies Inc. via Canada NewsWire Group on July 8, 2005.

Item 4 Summary of Material Change

AMR Technologies Inc. ("AMR") (TSX:AMR) announced that it has filed a final long form prospectus in all provinces in Canada in connection with an offering of subscription receipts. The C$65,000,000 offering is for 32,500,000 subscription receipts at a price of C$2.00 per subscription receipt. Each subscription receipt is automatically exchangeable for one common share of AMR and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of AMR at a price of C$2.50 per share, exercisable at any time within 3 years following completion of the previously announced acquisition of Magnequench, Inc. ("Magnequench"). The offering is expected to close on or about July 19, 2005 and the proceeds will be held in escrow until the completion of the Magnequench acquisition which is anticipated to occur in the second half of August, 2005.

Item 5 Full Description of Material Change

See Schedule A attached.

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

This report is not being filed on a confidential basis.

Item 7 *Omitted Information*

No information has been omitted on the basis that it is confidential.

Item 8 *Executive Officer*

Alexander D. Caldwell
Corporate Secretary
(416) 367-8588

Item 9 *Date of Report*

July 13, 2005.

AMR TECHNOLOGIES INC.

Per: ______________________
Alexander D. Caldwell,
Corporate Secretary

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Schedule A

AMR TECHNOLOGIES INC.

AMR Technologies Files Final Prospectus

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TORONTO, July 8 /CNW/ - AMR Technologies Inc. of Toronto (TSX:AMR) today announced that it has filed a final long form prospectus in all provinces in Canada in connection with an offering of subscription receipts. The C$65,000,000 offering is for 32,500,000 subscription receipts at a price of C$2.00 per subscription receipt. Each subscription receipt is automatically exchangeable for one common share of AMR and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of AMR at a price of C$2.50 per share, exercisable at any time within 3 years following completion of the previously announced acquisition of Magnequench, Inc. ("Magnequench"). The offering is expected to close on or about July 19, 2005 and the proceeds will be held in escrow until the completion of the Magnequench acquisition which is anticipated to occur in the second half of August, 2005.

GMP Securities Ltd. is the lead agent for the subscription receipt offering with a syndicate that includes RBC Capital Markets, First Associates Investments Inc. and Loewen, Ondaatje, McCutcheon Limited.

This offering is further to AMR's previously announced proposed combination with Magnequench. Under the terms of the transaction AMR will issue approximately 26.9 million common shares for 100% of Magnequench. The Magnequench transaction will significantly increase AMR's revenues, EBITDA and earnings. On a pro forma basis, AMR's 2004 revenue increases to US$138.6 million from US$54.4 million. EBITDA increases to US$55.6 million from US$4.4 million. Earnings per share from continuing operations in 2004, on a pro forma basis, increase to US$0.27 (which equates to C$0.33 using the current exchange rate).

The Magnequench transaction is conditional on, among other things, the completion of the C$65 million subscription receipt offering, a US$50 million convertible debt offering with GMP as sole agent, a senior bank term debt financing and the approval of the transaction by a majority of the votes cast by AMR shareholders at the upcoming Annual and Special Meeting of AMR Shareholders to be held on July 15, 2005.

About AMR and Magnequench

AMR develops, produces and markets rare earth and zirconium based performance materials as well as Neo powder for bonded magnets, all essential to today's high technology products. AMR separates and purifies rare earth and zirconium materials at two plants in China and sells to multinationals in Europe, North America, Korea, Japan and China. AMR manufactures Neo powders at its plant in Thailand. Headquartered in Toronto, AMR has approximately 1,000 employees throughout its international operations.

Magnequench is the U.S. patent holder and world leader in the manufacturing of Neo powders used to make bonded magnets. With its production located in China, Magnequench has approximately 330 employees in six countries and seven locations in Europe, Asia and North America.

AMR and Magnequench represent a combination of two world leaders: AMR is the No. 2 global producer of specialty rare earths and the fastest growing specialty zirconium producer. Magnequench is the No. 1 global producer of rare earth based Neo magnetic powder with significant patent protection.

Forward Looking Statements

This news release contains forward-looking statements relating to such matters as expected financial performance, business prospects, technological developments and development activities and like matters. These statements involve risk and uncertainties, including but not limited to the risk factors previously described. Actual results could differ materially from those projected as a result of these risks and should not be relied upon as a prediction of future events. Such risks include, but are not limited to: materially adverse changes in economic conditions in the markets in which the Company operates; costs related to the acquisition; delay in the expected closing of the acquisition; protection of intellectual property and the risk that AMR's and Magnequench's businesses will not be integrated successfully.

AMR Technologies undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

This news release is not a solicitation of any offer to purchase or sell securities from or to any person

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