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 19, 2005.

Item 3 News Release

The press release was disseminated by AMR Technologies Inc. via Canada NewsWire Group on July 19, 2005.

Item 4 Summary of Material Change

AMR Technologies Inc. ("AMR") (TSX:AMR) announced that it closed its previously announced offering of 32.5 million subscription receipts at an issue price of Cdn$2.00 per subscription receipt, raising total gross proceeds of Cdn$65 million. Each subscription receipt will be automatically exercised into one common share in the capital of AMR and one-half of one common share purchase warrant on the completion of the previously announced acquisition of all of the shares of Magnequench, Inc. by AMR. Each whole common share purchase warrant underlying the subscription receipts will be exercisable into one common share of AMR at an exercise price of Cdn$2.50 per share at any time until the third anniversary of the issuance of the warrants. The subscription receipts have been listed on the Toronto Stock Exchange under the symbol AMR.R. The proceeds of this offering will be held in escrow by Computershare Trust Company of Canada pursuant to the terms of a subscription receipt agreement pending completion of the Magnequench acquisition. The completion of the Magnequench acquisition remains conditional on, among other things, the successful completion of the previously announced convertible debt offering and the previously announced senior bank term debt financing (both of which are anticipated to be completed in 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 19, 2005.

AMR TECHNOLOGIES INC.

Per: ______________________
Alexander D. Caldwell,
Corporate Secretary

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Schedule A

AMR TECHNOLOGIES INC.

AMR Closes Cdn$65 Million Subscription Receipt Offering

TORONTO – **July 19, 2005** – **AMR Technologies Inc.** of Toronto (TSX:AMR) announced today that it closed its previously announced offering of 32.5 million subscription receipts at an issue price of Cdn$2.00 per subscription receipt, raising total gross proceeds of Cdn$65 million. Each subscription receipt will be automatically exercised into one common share in the capital of AMR and one-half of one common share purchase warrant on the completion of the previously announced acquisition of all of the shares of Magnequench, Inc. by AMR. Each whole common share purchase warrant underlying the subscription receipts will be exercisable into one common share of AMR at an exercise price of Cdn$2.50 per share at any time until the third anniversary of the issuance of the warrants. The subscription receipts have been listed on the Toronto Stock Exchange under the symbol AMR.R. GMP Securities Ltd. acted as the lead agent for the offering with a syndicate that included RBC Capital Markets, First Associates Investments Inc. and Loewen, Ondaatje, McCutcheon Limited. The proceeds of this offering will be held in escrow by Computershare Trust Company of Canada pursuant to the terms of a subscription receipt agreement pending completion of the Magnequench acquisition. In the event that the acquisition is not completed on or before September 2, 2005 the proceeds will be released from escrow (together with interest thereon) to the subscribers. The deadline for the completion of the transaction may be extended to no later than September 30, 2005, with the approval of subscription receipt holders holding more than 50% of the subscription receipts. The completion of the Magnequench acquisition remains conditional on, among other things, the successful completion of the previously announced convertible debt offering and the previously announced senior bank term debt financing (both of which are anticipated to be completed in August, 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 #2 global producer of specialty rare earths and the fastest growing specialty zirconium producer. Magnequench is the #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.

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