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

August 31, 2005.

Item 3 News Release

The press release was disseminated by AMR Technologies Inc. via Canada NewsWire Group on August 31, 2005.

Item 4 Summary of Material Change

AMR Technologies Inc. ("AMR") (TSX:AMR) announced that it completed and closed the previously announced acquisition of Magnequench, Inc.

The closing was subject to satisfying a number of conditions which were met by obtaining shareholder approval from both companies, issuing 26.9 million AMR common shares and 2.8 million options to acquire all of the outstanding shares of Magnequench, Inc., completing a financing for US$50 million of convertible debentures with a US based institution; completing a financing for US$57.5 million which includes a US$7.5 million revolving credit facility with a US based banking syndicate led by National City Bank and repaying the outstanding term loan debt of Magnequench.

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*

September 8, 2005.

AMR TECHNOLOGIES INC.

Per:

Alexander D. Caldwell,
Corporate Secretary

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Schedule A

AMR TECHNOLOGIES INC.

AMR Closes Magnequench Combination

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TORONTO, Aug. 31 /CNW/ - AMR Technologies Inc. of Toronto (TSX:AMR) announced today that it has completed and closed the previously announced Magnequench Acquisition.

Constantine Karayannopoulos has become President and Chief Executive Officer. He stated "As a result of this combination, AMR has more than doubled its revenue, broadened its customer base and product lines and strengthened its market position. With a strong cash generating capability, we are now in a better position to compete for and exploit future growth opportunities in the dynamic markets which AMR serves. We believe that greater market capitalization and improved liquidity will benefit shareholders."

The closing was subject to satisfying a number of conditions which were met by obtaining shareholder approval from both companies, issuing 26.9 million AMR common shares and 2.8 million options to acquire all of the outstanding shares of Magnequench, Inc., completing a financing for US$50 million of convertible debentures with a US based institution; completing a financing for US$57.5 million which includes a US$7.5 million revolving credit facility with a US based banking syndicate led by National City Bank and repaying the outstanding term loan debt of Magnequench.

GMP Securities Ltd. acted as the sole agent for the US$50 million convertible debt offering. GMP Securities Ltd. also acted as the lead agent for the subscription receipt offering with a syndicate that included RBC Capital Markets, First Associates Investments Inc. and Loewen, Ondaatje, McCutcheon Limited.

The new Board of AMR will be composed of Archibald Cox, Jr. as Chairman, Peter V. Gundy as Vice Chairman, Jean-Marc Chapus, Ho Soo Ching, Constantine Karayannopoulos, William E. Macfarlane, Peter O'Connor, John Pearson and F. Michael Walsh. The Company would like to thank its retiring directors, Robert J. Lander, Rocco Rossi and John P. Wleugel for their extensive contributions.

About AMR

AMR is the No. 1 global producer of rare earth based Neo magnetic powder with significant patent protection and is also the No. 2 global producer of specialty rare earths and the fastest growing specialty zirconium producer. All of AMR's products are essential to today's high technology products. AMR has three production plants in China, and one in Thailand. It sells to multinationals in Europe, North America, Korea, Japan and China. The Company conducts research and development activities in Singapore as well as in its nanotechnology research facility in Abingdon, U.K. Headquartered in Toronto, AMR has approximately 1,300 employees throughout its international operations.

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 and the protection of intellectual property. 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.

For further information

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