

**MATERIAL CHANGE REPORT
FORM 51-102F3**

Item 1. Reporting Issuer

Phoenix Capital Income Trust.
Suite 1007, 347 Bay Street
Toronto, Ontario, M5H 2R7

Item 2. Date of Material Change

July 29, 2005.

Item 3. News Release

On July 29, 2005 a news release in respect of the material change was released through the facilities of CCN Matthews.

Item 4. Summary of Material Change

The material change is fully described in the Company's press release which is attached as Schedule "A" and is incorporated herein.

Item 5. Full Description of Material Change

A full description of the material change is contained under Item 4.

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

The report is not being filed on a confidential basis

Item 7. Omitted Information

No information has been omitted.

Item 8. Executive Officer

James Hamilton, Chief Executive Officer - 416-861-1940.

Item 9. Date

August 2, 2005.

PHOENIX CAPITAL INCOME TRUST

Per: "James Hamilton"

James Hamilton



PHOENIX CAPITAL INCOME TRUST

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July 29, 2005

Press Release

Preliminary Prospectus Filed

Phoenix Capital Income Trust ("Phoenix"), TSX Venture Exchange - Units "PNX.UN" advises that it has filed a preliminary prospectus in all provinces for an offering of a minimum 2,000,000 and a maximum 5,000,000 units of the Trust at a price of \$10.00 per unit. A receipt for the preliminary prospectus has been issued by the applicable regulatory authorities.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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