FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

The name of the reporting issuer is E & E Capital Funding Inc. (formerly A. & E. Capital Funding Inc.) (the "Issuer"). The Issuer's registered office is 2300 Yonge Street, Suite 3000, Toronto, Ontario M4P 1E4.

Item 2 Date of Material Change

The material changes occurred on October 24, 2005.

Item 3 News Release

A press release in connection with the material change was issued in Ontario on October 24, 2005, a copy of which as issued is annexed hereto as Schedule "A".

Item 4 Summary of Material Change

Pursuant to a Special Resolution passed by the Shareholders of the Company at the Annual and Special Meeting of the Company held on May 31, 2005 and with the approval of the TSX Venture Exchange, the Company will immediately complete the following:

I. the issuance of up to 857,191 common shares (at a deemed value of $1.00 per share) in satisfaction of the purchase price for the purchase and cancellation of all the outstanding Series I and Series II Preferred Shares (including accrued and unpaid dividends); and
II. the issuance of 1,464,246 common shares (at a deemed value of $1.00 per share) to settle outstanding debt for $1,464,246 to an insider of the Company.

On October 24, 2005 the Company issued 713,881 common shares for the repurchase of 84% of the outstanding Series I and Series II Preference Shares and 1,464,246 common shares to settle outstanding debt to an insider of the Company.

Item 5 Full Description of Material Change

A full description of the material change is provided in Item 4 herein.

Item 6 & 7 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102 and Omitted Information

The Issuer is not relying on 7.1(2) or (3) of National Instrument 51-102 for the filing of this report nor is any information being omitted in reliance thereon.

Item 8 Executive Officer

For further information with respect to this report, please contact Chris Carmichael, Chief Financial Officer of the Issuer, at: (416) 488-7760.

Item 9 Date of Report

DATED at Toronto, Ontario this 25th day of October, 2005.

E & E CAPITAL FUNDING INC.

(signed Chris Carmichael)

Per: ______________________________

Chris Carmichael
Chief Financial Officer

Schedule "A"

E & E CAPITAL FUNDING INC.
(Formerly, A. & E. Capital Funding Inc.)
2300 Yonge Street
Suite 3000
Toronto, Ontario M4P 1E4
(416) 488-7760

TSX Venture Exchange Symbol: AEF

Monday, October 24, 2005

News Release – E & E Capital Funding Has Approval for the Issuance of Shares for Debt

TORONTO, ONTARIO – E & E Capital Funding Inc. (TSX Venture Exchange "AEF") (the "Company") announces the approval of the issuance of shares for the satisfaction of the purchase price of the outstanding Preferred Shares and for the repayment of debt.

Pursuant to a Special Resolution passed by the Shareholders of the Company at the Annual and Special Meeting of the Company held on May 31, 2005 and with the approval of the TSX Venture Exchange, the Company will immediately complete the following:

(i) the issuance of up to 857,191 common shares (at a deemed value of $1.00 per share) in satisfaction of the purchase price for the purchase and cancellation of all the outstanding Series I and Series II Preference Shares (including accrued and unpaid dividends); and

(ii) the issuance of 1,464,246 common shares (at a deemed value of $1.00 per share) to settle outstanding debt for $1,464,246 to an insider of the Company.

On October 24, 2005 the Company issued 713,881 common shares for the repurchase of 84% of the outstanding Series I and Series II Preference Shares and 1,464,246 common shares to settle outstanding debt to an insider of the Company.

For further information, please contact Chris Carmichael, CFO at (416) 488-7760.