FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Amtelecom Income Fund
18 Sydenham Street East
Aylmer, Ontario N5H 3E7

Item 2 Date of Material Change

August 15, 2006

Item 3 News Release

A news release was issued on August 15, 2006 through the facilities of Canada NewsWire and subsequently filed on SEDAR.

Item 4 Summary of Material Change

Amtelecom Income Fund (the "Fund") (TSX - AMT.UN) announced that it has entered into an agreement to sell 1,153,850 Trust Units at a price of $13.00 per Trust Unit for gross proceeds to the Fund of approximately $15 million on a bought deal basis.

Item 5 Full Description of Material Change

The Fund announced that it has entered into an agreement to sell 1,153,850 Trust Units at a price of $13.00 per Trust Unit for gross proceeds to the Fund of approximately $15 million on a bought deal basis. The underwriting syndicate is led by Canaccord Capital Corporation and includes CIBC World Markets Inc., Sprott Securities Inc. and TD Securities Inc. The underwriters have been granted an over-allotment option, exercisable for a period of 30 days following the closing date, to purchase up to an additional 15% of Trust Units of the Fund on the same terms and conditions for market stabilization and over-allotment purposes. The Fund intends to use the net proceeds to repay a portion of its indebtedness.

The Trust Units to be issued under this offering will be offered by way of a short form prospectus in all provinces in Canada and in the United States on a private placement basis pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended.

The offering is scheduled to close on or about August 31, 2006 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

Provided the offering closes by August 31, 2006, purchasers of Trust Units under this offering will be entitled to receive the distribution to be paid on September 15, 2006 to unitholders of record on August 31, 2006.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Michael J. Andrews, President & Chief Executive Officer, Amtelecom Income Fund, (519) 773-1237

Item 9 Date of Report

August 22, 2006

AMTELECOM INCOME FUND by its attorney, Amtelecom Communications Inc.

By: "Michael J. Andrews"
Michael J. Andrews,
President & Chief Executive Officer