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MITEC TELECOM RAISES \$3.5 MILLION, CLOSSES PRIVATE PLACEMENT AND ANNOUNCES ORGANIZATIONAL CHANGE

Montreal, October 20, 2006 – Mitec Telecom Inc. (TSX: MTM) today announced the closing of its previously announced private placement offering. The total amount raised from the private placement was \$3.5 million.

The following parties participated in the financing: Howson Tattersall Investment Counsel Limited, (Mitec's largest shareholder), Palos Capital Pool LP (a fund related to Mitec Chairman, Hubert Marleau), Notre Dame Capital Inc. (a venture capital company managed by Mitec Director, Richard Groome), as well as a group of investors who participated through Mi3 SD (a company which Mitec Director, Jeffrey Mandel, is a Director and President of). Under the financing, the Company issued 35 million shares priced at \$0.10 each. Proceeds of the issue will be used for general corporate purposes.

The private placement formed part of the overall refinancing of Mitec which, when combined with the proceeds raised pursuant to the rights offering, raised a total of approximately \$7.8 million.

Mitec Telecom Inc. also announced today that Stefano Bazzocchi, Mitec's Vice-President of Finance and Chief Financial Officer, has resigned. The Board of Directors thanks Mr. Bazzocchi for his contributions. Mr. Bruno Dumais, currently director of finance at Mitec, will be assuming Mr. Bazzocchi's responsibilities and will become Vice-President of Finance, effective immediately.

Mitec Telecom Inc. will also hold its Annual General Meeting (AGM) of Shareholders on Friday, October 20 at 10:00 AM EST at Mitec Telecom Headquarters, 9000 Trans-Canada Highway, Pointe Claire, Quebec, H9R 5Z8.

About Mitec Telecom

Mitec Telecom is a leading designer and provider of radio frequency (RF) products for the telecommunications and satellite communications industries, as well as a variety of other sectors. The Company sells its products worldwide to network providers for incorporation into high-performing wireless networks used in voice and data/Internet communications. Headquartered in Montreal, Canada, the Company also operates facilities in the United States and China.

Mitec Telecom Inc. is listed on the Toronto Stock Exchange under the symbol MTM. On-line information about Mitec is available at www.mitectelecom.com.

Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of the Company. These statements are based on suppositions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for the Company's products and services, the impact of price pressures exerted by competitors, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.