FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Mineral Hill Industries Ltd. (the "Company")
575-1111 West Hastings Street
Vancouver, BC V6E 2J3

Item 2. Date of Material Change

May 17, 2005

Item 3. News Release

The News Release dated May 17, 2005 was disseminated via Stockwatch and forwarded to the TSX Venture Exchange.

A copy of the News Release is attached as Schedule "A".

Item 4. Summary of Material Change

The Company wishes to advise it held its Annual and Special General Meeting on May 17, 2005 at which time Dieter Peter, David Stewart, Hugh Maddin and Hans Schwabl were re-elected to the Company's board of directors. James Stypula and Andrew H. von Kursell were also elected to the Company's board of directors.

The Company records its appreciation to Mr. Bruce Purcell for his contributions as president and director of the Company. Mr. Purcell did not stand for election at the Company's annual general meeting.

The following persons were appointed as officers: Dieter Peter – Chief Executive Officer and President, Josephine See as Secretary and David Stewart as Chief Financial Officer.

<u>Adoption of New Stock Option Plan</u>

The Company announces that it submitted a new Stock Option Plan (the "Plan") for directors, officers, employees and consultants of the Company to the shareholders of the Company for their approval. The new Plan provides that the Company may grant incentive options without hold periods or vesting requirements in accordance with TSX Venture Exchange policies applicable to Tier 1 companies. The Plan received approval of the disinterested shareholders of the Company at the annual general meeting.

There are 1,555,324 shares reserved for issuance under the Plan including options already issued and outstanding under separate agreements. Options can be granted for periods of up to ten years at a price equal to the Company's market price prevailing on the date a particular option is granted.

<u>Grant of Stock Options</u>

The Board granted stock options to the new directors to purchase up to an aggregate of 60,000 common shares in the capital stock of the Company, exercisable for a period of five years, at a price of $0.40 per share.

Item 5. Full Description of Material Change

For a full description of the material change, see Schedule "A".

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

The following Senior Officer of the Company is available to answer questions regarding this report:

Dieter Peter
President & CEO
(604) 685-4170

Item 9. Date of Report

Dated at Vancouver, BC, this 17th day of May, 2005.

MINERAL HILL INDUSTRIES LTD.
Per:

"Dieter Peter"

Dieter Peter
President & CEO

MINERAL HILL INDUSTRIES LTD.
Suite 575 – 1111 West Hastings Street
Vancouver, BC V6E 2J3Telephone: 604-685-4170
Fax: 604-685-2360

SCHEDULE "A"

NEWS RELEASE

Trading Symbol: TSXV-MHI

May 17, 2005

Annual and Special General Meeting

The Company wishes to advise it held its Annual and Special General Meeting on May 17, 2005 at which time Dieter Peter, David Stewart, Hugh Maddin and Hans Schwabl were re-elected to the Company's board of directors. James Stypula and Andrew H. von Kursell were also elected to the Company's board of directors.

Mr. Stypula is the Chief Executive Officer of Chapleau Resources Ltd and a director of Far West Mining Ltd and founder of Kokanee Explorations Ltd.

Mr. von Kursell obtained a Bachelor of Mining Engineering degree from McGill University in 1963. He is a professional engineer and an experienced senior executive in the national and international mining industry, having held senior operation positions for such companies as Cominco and Cyprus Anvil Mining Corp. Since 1991, Mr. von Kursell has served as a director and president of several junior mining companies.

The diversity of experience of the directors will add depth to the corporate governance and development of the Company's growth.

The Company records its appreciation to Mr. Bruce Purcell for his contributions as president and director of the Company. Mr. Purcell did not stand for election at the Company's annual general meeting.

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There are 1,555,324 shares reserved for issuance under the Plan including options already issued and outstanding under separate agreements. Options can be granted for periods of up to ten years at a price equal to the Company's market price prevailing on the date a particular option is granted.

Grant of Stock Options

At its board meeting held on May 17, 2005, the Board granted stock options to the new directors to purchase up to an aggregate of 60,000 common shares in the capital stock of the Company, exercisable for a period of five years, at a price of $0.40 per share.

ON BEHALF OF THE BOARD OF DIRECTORS

"Dieter Peter"

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Dieter Peter, President