PRELIM CAPITAL INC.

18 King Street East, Suite 1203
Toronto, Ontario M5C 1C4

FILED VIA SEDAR

Ontario Securities Commission
20 Queen Street West, 19th Floor
Toronto, Ontario, M5H 3S8

Attention: Continuous Disclosure

TSX Venture Exchange
3rd Floor
130 King Street West
Toronto, Ontario, M5X 1E5
Attention: Continuous Disclosure

Alberta Securities Commission
4th Floor, 300 – 5th Avenue S.W.
Calgary, Alberta
T2P 3C4
Attention: Continuous Disclosure

British Columbia Securities Commission
12th Floor, Pacific Centre
701 W. Georgia St.
Vancouver, B.C., V7Y 1L2
Attention: Continuous Disclosure

Dear Sirs/Mesdames:

Re: Material Change Report
Form 51-102F3

1. The name of the reporting issuer is **Prelim Capital Inc.** ("**Prelim**" or the "**Company**"), whose principal office is at 18 King Street East, Suite 1203, Toronto, Ontario M5C 1C4.

2. The material change occurred on December 22, 2009.

3. A Press Release was published at Toronto on December 23, 2009 on the Marketwire - TSX Venture Disclosure Wire.

4. Prelim announced that it had signed a binding Amalgamation and Qualifying Transaction Agreement (the "**QT Agreement**") dated December 18, 2009, with Hudson River Minerals Ltd. ("**Hudson River**"), relating to the Company's proposed qualifying transaction (the "**Qualifying Transaction**") under the policies of the TSX Venture Exchange (the "**Exchange**") originally announced on October 6, 2009 and referred to in the press release of December 7, 2009. Certain shareholders of Hudson River have entered into or will enter into Support Agreements agreeing to approve the proposed Qualifying Transaction which will require approval of a two-thirds majority of the votes cast at a Hudson River shareholders meeting to be called to approve the Qualifying Transaction. The Amalgamation and Qualifying Transaction Agreement is filed with this Material Change Report as a Material Document.

   Prelim also announced that Hudson River had closed a private placement financing for aggregate gross proceeds of $1,353,225.

5. On November 25, 2009, Hudson River closed the first tranche of a brokered private placement with IBK Capital Corp. acting as agent ("**IBK**") (the "**IBK Financing**") for aggregate gross proceeds of 686,225. Hudson River issued (i) 6,979,599 flow-through units (the "**Flow-Through Units**") at $0.0625 (Canadian) per Flow-Through Unit for gross proceeds of $436,225, each Flow-Through Unit being comprised of one common share in the capital of Hudson River as presently constituted to be issued as a "flow-through share" as defined in the *Income Tax Act* (Canada) (a "**Flow-Through Unit Share**") and one-half of one non-transferable non-flow-through common share purchase warrant (a "**Warrant**"); and (ii) 5,000,000 units (the "**Units**") at $0.05 (Canadian) per Unit for gross proceeds of $250,000, each Unit being comprised of one common share in the capital of Hudson River as presently constituted (a "**Unit Share**") and one Warrant. Each whole Warrant will entitle the holder to acquire one additional common share of Hudson River as presently constituted at an exercise price of $0.10 (Canadian) to the extent exercised at any time prior to the date that is 24 months after Closing.

On December 17, 2009, Hudson River closed the second tranche of the IBK Financing for aggregate gross proceeds of $67,000. Hudson River issued an additional 1,340,000 Flow-Through Units at $0.0625 (Canadian) per Flow-Through Unit to subscribers sourced by IBK and its sub-agents.

IBK and its sub-agents received (i) an aggregate cash commissions of $67,790 from the first and second tranches of the IBK Financing and (ii) 1,331,959 compensation options. Each compensation option issued under the IBK Financing is exercisable into one Unit of Hudson River as set out above at an exercise price of $0.10 (Canadian) per Unit to the extent exercised at any time prior to the date that is 24 months after Closing.

On December 17, 2009, Hudson River also closed a brokered private placement with the MineralFields Group (the "**MineralFields Financing**") for aggregate gross proceeds of $600,000. Hudson River issued 9,600,000 Flow-Through Units at $0.0625 (Canadian) per Flow-Through Unit to subscribers sourced by MineralFields.

Under the MineralFields Financing, Hudson River paid MineralFields Group and IBK Capital Corp. (i) aggregate cash commissions of $54,000 and (ii) 960,000 compensation options. Each compensation option issued under the MineralFields Financing is exercisable into one common share of Hudson River as presently constituted at an exercise price of $0.0625 (Canadian) per common share to the extent exercised at any time prior to the date that is 24 months after Closing.

Hudson River will use the proceeds from the Flow-Through Units issued pursuant to the IBK Financing and the MineralFields Financing for exploration and development of its mineral properties in the "Ring of Fire," situated in the McFauld's Lake region of the James Bay

Lowlands in Northern Ontario. Proceeds from the Units issued pursuant to the IBK

Financing will cover general and administrative expenses and the expenses of the Qualifying Transaction and private placements.

The securities issued pursuant to the private placements will be subject to a hold period of four months and a day from the later of the applicable date of closing and the date Hudson River becomes a reporting issuer in any province or territory of Canada.

"Hudson River is pleased to be entering into relationships with IBK Capital Corp. and MineralFields Group", said Stephen Balch, President. "This is an important milestone in the growth of Hudson River Minerals Ltd. and we look forward to working with IBK Capital Corp. and MineralFields Group as we develop our holdings in the Ring of Fire.

Prelim is also pleased to announce that Hudson River has retained Aeroquest Limited to conduct an airborne electromagnetic and magnetic survey on Hudson River's claims in the Ring of Fire area which is expected to begin immediately. A National Instrument 43-101 report on Hudson River's property will be prepared as soon as is practicable to satisfy the requirements of the proposed Qualifying Transaction.

Hudson River intends to focus its efforts on discovering the next major nickel-copper-platinum group element (Ni-Cu-PGE) deposit in an area known as the "Ring of Fire", an emerging multi-metals district located in the James Bay Lowlands of Northern Ontario.

After giving effect to the IBK Financing and the MineralFields Financing, Hudson River has 39,794,599 common shares issued and outstanding. Pursuant to the terms of the QT Agreement, each two (2) Hudson River common shares will be exchanged for one (1) Prelim common share and the number and price of all convertible securities of Hudson River will be amended accordingly. On the closing of the Qualifying Transaction, Prelim shareholders will hold 4,800,000 common shares of the resulting entity (19.4%) and Hudson River shareholders will hold 19,897,299 common shares of the resulting entity (80.6%).

6. The report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

7. No information has been omitted because it is believed it should remain confidential.

8. Mr. James Borland, President and a director, may be contacted at 416 214-5858 concerning this report.

9. The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 4th day of January, 2010.

PRELIM CAPITAL INC.

"William R. Johnstone"

Per: ______________________________
WILLIAM R. JOHNSTONE
Corporate Secretary