**FORM 51-102F3**
**Material Change Report**

**1. Name and Address of Company:**

Amalfi Capital Corporation ("**Amalfi**" or the "**Corporation**")
411, 3553 - 31st Street NW
Calgary, Alberta T2L 2K7
(403) 585-0450

**2. Date of Material Change(s):**

July 23, 2010

**3. News Release:**

July 23, 2010

**4. Summary of Material Change(s):**

The Corporation announced amendments to the terms of the CDR Minerals Inc. ("**CDR**") brokered private placement previously announced on May 17, 2010. The Corporation also announced amendments (the "**Consequential Amendments**") to the terms of the amalgamation agreement (the "**Amalgamation Agreement**") between Amalfi and CDR, in addition to those terms previously announced on May 31, 2010. Pursuant to the Amalgamation Agreement, Amalfi's wholly-owned subsidiary will amalgamate with CDR (the "**Business Combination**") to continue as one company ("**Amalco**") under the *Business Corporations Act* (Ontario). In connection with the successful completion of the Business Combination, Amalfi will change its name to "Royal Coal Corp." (the "**Resulting Issuer**") and its shares will begin trading on the TSX Venture Exchange ("**TSX Venture**") under the symbol "RDA".

**5. Full Description of Material Change:**

Please refer to the attached Schedule "A".

**6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 *Continuous Disclosure Obligations*:**

Not Applicable

**7. Omitted Information:**

Not Applicable

**8. Executive Officer Knowledgeable of Material Change:**

S. Raymond Ludwig, President

**9. Date of Report:**

July 26, 2010

**SCHEDULE "A"**

# AMALFI CAPITAL CORP. ANNOUNCES AMENDED FINANCING TERMS AND CONSEQUENTIAL AMENDMENTS TO TERMS OF AMALGAMATION

**FOR IMMEDIATE RELEASE**

Calgary, Alberta – July 23, 2010 – Amalfi Capital Corp. (“**Amalfi**” or the "**Corporation**") (TSX-V: ALI.P) announces amendments to the terms of the CDR Minerals Inc. (“**CDR**”) brokered private placement previously announced on May 17, 2010. Amalfi also announces amendments (the “**Consequential Amendments**”) to the terms of the amalgamation agreement (the “**Amalgamation Agreement**”) between Amalfi and CDR, in addition to those terms previously announced on May 31, 2010. Pursuant to the Amalgamation Agreement, Amalfi’s wholly-owned subsidiary will amalgamate with CDR (the “**Business Combination**”) to continue as one company ("**Amalco**") under the *Business Corporations Act* (Ontario). In connection with the successful completion of the Business Combination, Amalfi will change its name to "Royal Coal Corp." (the "**Resulting Issuer**") and its shares will begin trading on the TSX Venture Exchange ("**TSX Venture**") under the symbol "RDA".

## CDR Private Placement Amendments and Proposed Shares for Debt Transaction

CDR intends to raise $4,606,000 in a private placement of 23,030,000 units (the “**Units**”) at a price of $0.20 per Unit (the “**Private Placement**”). Each Unit is comprised of one common share of CDR (the "**CDR Shares**") and one common share purchase warrant ("**Warrant**"). Each whole Warrant will entitle the holder to purchase one common share of CDR at a price of $0.20 for a period of five years from the closing of the Private Placement. CDR has engaged Northern Securities Inc. (“**Northern Securities**”) as agent on a best efforts basis in connection with the Private Placement and the previously announced "bought deal" financing will not be proceeding.

Pursuant to the terms of the Private Placement, Northern Securities received an engagement fee of $20,000 and was issued 125,000 CDR Shares. On closing, Northern Securities and other placement agents will receive a commission of up to 8% of the aggregate gross proceeds of the Private Placement and will be issued broker warrants equal to up to 10% of the number of Units sold pursuant to the Private Placement. Each broker warrant will be exercisable to purchase one Unit at $0.20 for a period of 60 months from the closing of the Private Placement.

The Private Placement is being completed in connection with the Business Combination. The closing of the Private Placement is conditional on the completion of the Business Combination and is expected to close in the next week. CDR intends to use the gross proceeds of the Private Placement to fund its current coal projects in the Central Appalachian Basin in the United States, for repayment of debt, and for general working capital purposes.

CDR has also entered into agreements (the "**CDR Debt Settlement**") with two arm's length third parties (the "**Trade Creditors**"), pursuant to which CDR has agreed to issue 4,125,000 Units with an aggregate value of $825,000 to the Trade Creditors in exchange for the cancellation of $825,000 in outstanding trade payables.

## Amendments to Amalgamation Agreement

As a result of the Private Placement and in accordance with the Consequential Amendments, Amalfi will now consolidate its shares on the basis of one new Amalfi common share (“**Amalfi Share**”) for every two existing Amalfi common shares (instead of on the basis of one Amalfi Share for every three and a half existing Amalfi common shares). As a result, shareholders of Amalfi will receive an aggregate of 5,800,000 common shares of the Resulting Issuer (“**Resulting Issuer Shares**”) (instead of 3,866,666 Resulting Issuer Shares) after the completion of the consolidation and the Business Combination, with a deemed price of $0.20 per share (instead of $0.50 per share). In addition, each holder of an Amalfi Share on a post consolidation basis will now receive 0.2857143 of a Resulting Issuer new common share purchase warrant (“**Resulting Issuer New Warrant**”) for each Amalfi Share held, each whole warrant entitling the holder to acquire one Resulting Issuer Share at a price of $0.20 per share for two years from the closing of the Business Combination (instead of 0.4285714 of a Resulting Issuer New Warrant for each Amalfi Share held with an exercise price of $0.50 per share), resulting in the issuance of an aggregate of 1,657,143 Resulting Issuer New Warrants. Pursuant to the Business Combination, the 1,160,000 outstanding Amalfi stock options ("**Amalfi Options**") will be replaced with 580,000 stock options of the Resulting Issuer ("**Resulting Issuer Amalfi Options**"), each entitling the holder to acquire one Resulting Issuer Share at a price of $0.20 per share until November 30, 2012 (instead of 331,429 Resulting Issuer Amalfi Options with an exercise price of $0.35 per share).

**Amendments to Other Debt Arrangements**

Third Eye Capital Corporation ("**TEC**") and Juno Special Situations Corporation ("**Juno**") have agreed to amend the note purchase agreement dated September 30, 2009 between Juno and TEC (the "**TEC Loan**") and the corresponding note purchase agreement dated September 30, 2009 between CDR and Juno (the "**Juno Loan**", and together with the TEC loan the "**Indebtedness**") to waive certain covenants that were not achieved by CDR, and establish updated financial and production, interest and repayment covenants. From the proceeds from the Private Placement, US$1,000,000 will be paid to reduce the Indebtedness (the "**Closing Repayment**") and US$450,000, representing unpaid waiver fees, will be added to the Indebtedness and the outstanding amount of the Indebtedness after payment of the Closing Repayment will be US$5,750,000, plus the US$2 per ton royalty capped at 3,105,000 tons referenced in the Filing Statement. The royalty payment commitment maturity date was extended from March 31, 2011 to January 31, 2012.

GC Global Capital Inc.'s convertible debenture with CDR in the amount of $375,000 has been amended such that $25,000 will be paid on closing of the Private Placement and the balance of the principal will be repaid over the period ending December 31, 2011.

Upon closing of the Private Placement, CDR has also agreed to pay Cheyenne Resources Inc. US$800,000 of the principal amount owing under its convertible debentures with CDR (the "**CDR Cheyenne Debentures**"). The principal amount of the CDR Cheyenne Debentures after this payment will be US$4,200,000 and the maturity date of the CDR Cheyenne Debentures will be extended to January 31, 2012.

**Operations Update**

Mining at the Big Branch (Cheyenne) surface mine has been continuous since the acquisition of the mine on October 1, 2009. CDR has averaged coal production of 30,553 tons per month over the past 8 months and the proceeds of the CDR Private Placement will be used to increase production to a targeted 65,000 tons per month beginning October 2010. CDR intends to make capital expenditures of US$2,400,000 at the Big Branch (Cheyenne) surface mine as follows: US$950,000 will be expended on the current mining fleet to repair key components; the balance of US$1,450,000 will be used to acquire additional equipment enabling the production forecast of 65,000 tons per month beginning in October 2010.

**Working Capital Projections**

Based on current working capital projections, the Resulting Issuer's working capital available to fund ongoing operations, together with its revenue from operations and the proceeds of the Private Placement, is expected by management of CDR to meet its work program and administration costs for a minimum of 18 months without further additional capital. The projections of CDR assume the following factors: (a) coal production will be from the Big Branch (Cheyenne) mine only; (b) coal production from the Big Branch (Cheyenne) mine of 34,000 tons per month initially and increasing to 65,000 tons per month beginning October 2011; (c) further capital equipment expenditures of US$2,400,000 as described above; (d) average coal prices of US$61 for the balance of 2010 and US$69.50 in 2011 which are based on existing contracts and contract prices currently being negotiated by CDR. The price assumptions of CDR for 2011 are based on prevailing market prices and the forward price curve for CDR's grade of coal. CDR is currently negotiating coal sales contracts for 2011 at the projected prices; and (e) average mining costs per ton of US$54 for the balance of 2010 and US$50 in 2011, which are based on actual costs of CDR experienced to date and projected to the end of 2010. The average mining costs projected for 2010 are based on current costs of CDR adjusted for anticipated changes in materials and labour. Significant risks to be considered include, without limitation, the risk that CDR might not receive the prices for its coal that are used in its projections; CDR's production costs coming in higher than expected; CDR's production levels and availability (uptime) of the coal production equipment being lower than expected; CDR being unable to acquire necessary equipment for purchase or lease; non–cooperation of suppliers with respect to significant accrued accounts payable; CDR not being able to renew its lease on the Charlene rail load-out facility it uses to ship coal; CDR not meeting its outstanding financial or payment covenants in relevant loan arrangements and related future production targets; and the other factors discussed under "Risk Factors" in the Filing Statement.

The minimum 18 month working capital projections of CDR assume that CDR will exercise its option in March 2011 to convert the principal amount of the Juno Loan into Resulting Issuer Shares. CDR's option to convert is subject to CDR using its best efforts to find alternative financings to repay the Juno Loan in cash, to CDR not being in default under the Juno Loan, and to increased royalty payments to Juno of US$0.10 per ton of coal for each US$1,000,000 principal amount of the Juno Loan converted. The Resulting Issuer will remain a guarantor of Juno's debt obligations to TEC, an arm's length lender, in respect of which CDR has granted a general security interest over its assets.

**Amendment to Previous Financing**

In accordance with their agreement with CDR, investors who subscribed for an aggregate of 2,200,000 units of CDR at a price of $0.50 per unit in January 2010 (the "**January Units**"), will receive 3,300,000 CDR Shares for no additional consideration (so they will hold an aggregate of 5,500,000 CDR Shares), and the underlying 2,200,000 share purchase warrants will be cancelled and they will instead receive 5,500,000 Warrants.

**Filing Statement Amendments**

The revised terms of the Business Combination and CDR Private Placement supersede and replace, as applicable, the description of the Business Combination and related private placement set out in the Corporation's filing statement dated March 29, 2010 (the "Filing Statement") which is available on SEDAR and the Corporations press releases issued on May 17 and May 31, 2010. The following information updates and replaces the disclosure of the Resulting Issuer's expected pro forma consolidated capitalization and its fully diluted share capital.

Capitalized terms used in the following sections that are not otherwise defined herein have the meanings assigned to them in the Filing Statement.

***Consolidated Capitalization of the Resulting Issuer***

As a result of the Consequential Amendments, the expected capitalization of the Resulting Issuer, after giving effect to the Qualifying Transaction and CDR Private Placement, is as follows:

| Capital | Authorized | Outstanding in the Resulting Issuer After Giving Effect to the Qualifying Transaction and Certain Matters (1) |
|---|---|---|
| | | (unaudited) |
| Long-term Debt | N/A | US$2,492,340 (2) |
| Current Portion of Long-Term Debt | N/A | US$5,213,102 (2) |
| Resulting Issuer Shares | Unlimited | US$19,012,844(3)<br>(93,786,007)(4)(5) |
| Resulting Issuer special shares | Unlimited | Nil |

**Notes:**

(1) Pursuant to the Amalfi Stock Option Plan, the Resulting Issuer will have reserved 20% of the outstanding Resulting Issuer Shares for stock options.

(2) See the pro forma financial statements of the Resulting Issuer attached as Schedule "E" to the Filing Statement. Upon completion of the Qualifying Transaction, the Cheyenne Debentures and the CDR Global debentures are classified as long term debt, since the undiscounted face value of $4,550,000 is not payable within 12 months of the Qualifying Transaction. The Juno Loan maturity date of March 31, 2011 is less than 12 months from the Qualifying Transaction date, resulting in the $5,750,000 undiscounted face value of the Juno Loan being reclassified as current debt.

(3) In accordance with generally accepted accounting principles for a reverse takeover transaction, the dollar value of the share capital of Resulting Issuer after the completion of the Amalgamation will be the dollar value of the share capital of CDR immediately prior to completion of the Amalgamation, together with the net value of Amalfi. In addition, the deficit of Resulting Issuer will be the deficit of CDR immediately prior to the completion of the Qualifying Transaction, which as at September 30, 2009 after the deduction of stock-based compensation costs, commissions, consultant fees and related expenses will be ($4,446,465).

(4) Not including any Resulting Issuer Shares issuable pursuant to the exercise of any convertible securities of the Resulting Issuer.

(5) See Fully-Diluted Share Capital Table below.

## Fully Diluted Share Capital of the Resulting Issuer

The following table describes the expected the fully-diluted share capital of the Resulting Issuer, after giving effect to the Qualifying Transaction and CDR Private Placement.

| **Outstanding Resulting Issuer Shares** | **Number of Resulting Issuer Shares Assuming Completion of the Amalgamation(4)(6)** | **Percentage Assuming Completion of the Amalgamation** |
|---|---|---|
| Resulting Issuer Shares issued after Completion of Amalgamation and Consolidation to former holders of Amalfi Shares | 5,800,000 | 3.59% |
| Resulting Issuer Shares issued after Completion of Amalgamation and Consolidation to former holders of CDR Shares (as disclosed in May 31, 2010 press release) | 55,678,484 | 34.45% |
| Additional Resulting Issuer Shares issued after Completion of Amalgamation to former holders of January Units | 3,300,000 | 2.04% |
| Additional Resulting Issuer Shares issued after Completion of Amalgamation to holders of CDR Shares that exercised their CDR PKM MOU Rights | 1,652,523 | 1.02% |
| Resulting Issuer Shares issued after Completion of Amalgamation and Consolidation to Investors in the CDR Private Placement(4) | 23,030,000 | 14.25% |
| Resulting Issuer Shares issued after Completion of Amalgamation and Consolidation to Trade Creditors(4) | 4,125,000 | 2.55% |
| Resulting Issuer Shares issued as finder's fee pursuant to the Qualifying Transaction | 200,000 | 0.12% |
| **Subtotal** | 93,786,007 | |
| **Reserved Resulting Issuer Shares** | | |
| Securities reserved for issuance pursuant to Resulting Issuer CDR New Warrants | 27,155,000 | 16.80% |
| Securities reserved for issuance pursuant to Resulting Issuer CDR Warrants | 7,735,407 | 4.79% |
| Securities reserved for issuance pursuant to Resulting Issuer CDR 2010 Warrants | 5,500,000 | 3.40% |
| Securities reserved for issuance pursuant to Resulting Issuer CDR Broker Warrants | 518,446 | 0.32% |
| Securities reserved for issuance pursuant to Resulting Issuer CDR New Broker Warrants (including the underlying CDR Warrants) (5) | 4,606,000 | 2.85% |
| Securities reserved for issuance pursuant to Resulting Issuer CDR Options | 8,050,000 | 4.98% |
| Securities reserved for issuance pursuant to Resulting Issuer CDR Cheyenne Debentures(1) | 8,400,000 | 5.20% |

| Outstanding Resulting Issuer Shares | Number of Resulting Issuer Shares Assuming Completion of the Amalgamation(4)(6) | Percentage Assuming Completion of the Amalgamation |
|---|---|---|
| Securities currently reserved for issuance pursuant to Resulting Issuer CDR Global Debentures(2) | 700,000 | 0.43% |
| Securities reserved for issuance pursuant to Resulting Issuer Amalfi Options | 580,000 | 0.36% |
| Securities reserved for issuance pursuant to Resulting Issuer New Warrants | 1,657,143 | 1.03% |
| Securities reserved for issuance pursuant to Resulting Issuer New Options(3) | 2,909,902 | 1.80% |
| **Total Fully-Diluted Resulting Issuer Shares** | **161,597,905** | **100%** |

**Notes:**

(1) The US$5,000,000 principal amount of CDR Cheyenne Debentures were issued pursuant to the Big Branch Acquisition and matured on April 1, 2011. They bear interest at 12% per annum and are convertible into CDR Shares on the basis of one CDR Share for each US$0.50 principal amount of debentures until maturity. For additional information see the notes to the financial statements for the nine months ended September 30, 2009 of CDR attached as Schedule "D" to the Filing Statement and the notes to the pro forma financial statements of the Resulting Issuer attached as Schedule "E" to the Filing Statement. On closing, CDR intends to pay US$800,000 principal amount of the CDR Cheyenne Debentures, resulting in a principal amount owing of US$4,200,000 under the CDR Cheyenne Debentures and the issuance on conversion of up to 8,400,000 Resulting Issuer Common Shares.

(2) The $375,000 principal amount of CDR Global Debentures currently outstanding matures on December 31, 2010, bear interest at 12% per annum, and are convertible into CDR Shares on the basis of one CDR Share for each $0.50 (subject to the adjustment provisions in the CDR Global Debentures) principal amount of debentures until maturity. For additional information see the notes to the financial statements for the nine months ended September 30, 2009 of CDR attached as Schedule "D" to the Filing Statement and the notes to the pro forma financial statements of the Resulting Issuer attached as Schedule "E" to the Filing Statement. On closing, CDR intends to pay $25,000 principal amount of the CDR Global Debentures, resulting in principal amount owing of $350,000 under the CDR Global Debentures, and the issuance on conversion of up to 700,000 Resulting Issuer Common Shares.

(3) Assuming the maximum Resulting Issuer New Options are granted.

(4) Assuming the completion of the CDR Private Placement and the CDR Debt Settlement, the Resulting Issuer will issue up to an additional 27,155,000 Resulting Issuer Units, comprised of up to 27,155,000 Resulting Issuer Shares and up to 27,155,000 Resulting Issuer CDR New Warrants in replacement of the up to 27,155,000 CDR Units issuable pursuant to the CDR Private Placement and the CDR Debt Settlement. Each Resulting Issuer CDR New Warrant entitles the holder to acquire one Resulting Issuer Share at a price of $0.20 per share until the date that is 60 months from the closing of the CDR Private Placement.

(5) The Resulting Issuer will also issue up to 2,303,000 Resulting Issuer CDR New Broker Warrants in replacement of the up to 2,303,000 CDR New Broker Warrants issuable pursuant to the CDR Private Placement, each entitling the holder to acquire one Resulting Issuer Unit at a price of $0.20 per Unit until two years from the closing of the CDR Private Placement being comprised of 2,303,000 Resulting Issuer Shares and 2,303,000 Resulting Issuer CDR New Warrants.

(6) The Amalfi Agents Options previously disclosed in the Filing Statement have expired, and no Resulting Issuer Amalfi Agents' Options will be issued in connection with the Closing of the Business Combination.

## Conditions to Completion of Business Combination

The Corporation intends to work with CDR to complete the Business Combination and Private Placement and will continue to make any additional disclosure related to these transactions as may be required. As previously announced, the Business Combination, if completed, is expected to constitute Amalfi's qualifying transaction for the purposes of Policy 2.4 (the "**Policy**") of TSX Venture. The completion of the Private Placement and the Business Combination are subject to several conditions including, but not limited to, the receipt of all applicable regulatory approvals, **including the approval of the TSX Venture of which there is no guarantee it will be obtained.**

## About CDR

CDR is a privately held coal exploration and production company, incorporated pursuant to the *Business Corporations Act* (Ontario), headquartered in Toronto, Ontario, Canada with a regional office in Hazard, Kentucky, U.S.A. CDR is concentrating its efforts on developing producing surface coal mining operations in the Central Appalachian coal producing region of the United States, which includes parts of West Virginia, Virginia, Kentucky, Ohio, and Tennessee.

For further information contact Raymond Ludwig, the President of Amalfi at (403) 585-0450, or Tom Griffis, the Chairman of CDR, at (416) 861-8775.

***The completion of the Private Placement and the Business Combination are subject to a number of conditions, including but not limited to, TSX Venture acceptance. There can be no assurance that the Private Placement or the Business Combination will be completed as proposed or at all.***

***Investors are cautioned that any information released or received with respect to the Private Placement or the Business Combination may not be accurate or complete and should not be relied upon. Trading in the securities of the Corporation should be considered highly speculative.***

***Neither TSX Venture nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture) accepts responsibility for the adequacy or accuracy of this release.***
***Except for historical information contained herein, this news release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially. Neither Amalfi nor CDR will update these forward-looking statements to reflect events or circumstances after the date hereof. More detailed information about potential factors that could affect financial results is included in the documents filed from time to time with the Canadian securities regulatory authorities by Amalfi and CDR.***

***The securities of Amalfi being offered have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.***