FORM 27 – MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE *SECURITIES ACT* (ONTARIO)

*Note: This Report is itemized pursuant Form 27 of the Securities Act (Ontario) (the "**Act")**, and is being filed concurrently with the Alberta Securities Commission and British Columbia Securities Commission. This Report is also being filed with the Canadian Venture Exchange.*

1. **Reporting Issuer**

   Pele Mountain Resources Inc. (the "**Issuer**")
   2200 Yonge Street
   Suite 1002
   Toronto, ON M4S 2C6

2. **Date of Material Change**

   January 3, 2001

3. **Press Release**

   Press Release issued on January 4, 2001 via a Canadian news wire service. A copy of the Press Release has been filed via SEDAR.

4. **Summary of Material Change**

   The Issuer announced that on January 3, 2001 it issued a total of 125,000 common shares from treasury at an attributed value of $0.25 per share in full satisfaction of a debt obligation in the amount of $31,250 with an arm's length creditor. The 125,000 common shares have a 4 month hold period commencing from the date of issuance imposed by the Canadian Venture Exchange Inc.

5. **Full Description of Material Change**

   Please see attached Press Release issued January 4, 2001.

6. **Reliance on Section 75(3) of the Act**

   Not Applicable.

7. **Omitted Information**

   No information has been omitted from this material change report.

8. **Senior Officer**

Alan L. Shefsky, President, Chief Executive Officer and Director
Telephone: (416) 368-7224
Facsimile: (416) 368-7230
Internet: www.pelemountain.com

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto this 5th day of January, 2001.

PELE MOUNTAIN RESOURCES INC.

"Alan L. Shefsky"

Per:______________________________
Alan L. Shefsky
President and Chief Executive Officer

SCHEDULE "A"

PRESS RELEASE

FOR IMMEDIATE RELEASE

PELE MOUNTAIN RESOURCES INC.

January 4, 2001, Toronto: Pele Mountain Resources Inc. (CDNX:YPN) ("**Pele**") announces that on January 3, 2001, it issued 125,000 common shares from its capital stock to an arm's length creditor in full settlement of a debt owing of $31,250. These shares are subject to a four month hold period from date of issuance imposed by The Canadian Venture Exchange.

Pele is a mining and exploration resource company which owns or has exclusive mineral rights in more than 12,000 acres in the active Wawa diamond exploration area. Pele also owns a 100% interest in two gold projects in northwestern Ontario with established resources and a history of successful gold mining. Pele is in the business of acquiring mineral resource properties in Canada and carrying out mineral exploration and development thereon in search of economic deposits of diamonds, gold and other precious metals and minerals.

Currently, Pele has 18,170,648 common shares issued and outstanding, which total includes the common shares of Pele referred to above.

FOR FURTHER INFORMATION CONTACT:

Alan L. Shefsky, President and Chief Executive Officer
(416) 368-7224
www.pelemountain.com

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.