

**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

September 6, 2001

3. Press Release

Press Release issued on September 6, 2001 via a Canadian news wire service, a copy of which has been filed via SEDAR.

4. Summary of Material Change

The Issuer announced new diamond discoveries on its Festival Property, 25 km north of Wawa, Ontario, where the Issuer owns 100% exclusive interest in the mineral rights. The new diamond discovery has been named the Dom Perignon diamond occurrence and it indicates that the volcanic diatreme announced on May 3, 2001, appears to be much larger than initially believed. Caustic fusion results from a composite sample of breccia collected at the Dom Perignon diamond occurrence have returned the highest diamond counts from Pele's Festival Property to date.

A composite sample of approximately 100 kg of breccia was collected from bedrock on the western shoreline of Perch Lake. The sample was collected across a width of 90 meters which remains open in both directions. Each sub-sample within the composite weighed approximately 8 kg except for sample G 10-13 which weighed 26.35kg. Every sub-sample returned diamonds. The total number of diamonds recovered was 434 and the diamonds were distributed throughout all of the sieve size fractions up to and including +600 microns. The largest diamond recovered from the composite sample measured 1.16mm x 0.67mm x 0.56mm. The composite sample was collected by Pele's project geologist, P.C. Delisle, an independent Qualified Person and was processed at Saskatchewan Research Council.

The following chart summarizes the caustic fusion results for the Dom Perignon diamond occurrence composite sample as reported by SRC.

Caustic Fusion Results for Dom Perignon Diamond Occurrence Composite Sample									
Sample Number	Weight of Sample	Number of Diamonds per Sieve Size Fraction in Microns						Total # of Diamonds	Macro Diamonds*
		+106	+150	+212	+300	+425	+600		
G 10-13	26.35 kg	92	54	33	12	2	1	194	3
G 10-41	8.90 kg	15	5	9	3	0	0	32	0
G 10-42	8.15 kg	10	5	7	1	0	0	23	0
G 10-43	8.10 kg	31	14	13	6	3	0	67	3
G 10-44	7.65 kg	1	0	0	0	0	0	1	0
G 10-45	8.40 kg	14	1	3	2	0	1	21	2
G 10-46	8.50 kg	3	0	0	0	0	0	3	0
G 10-47	9.25 kg	24	10	4	5	1	0	44	1
G 10-49	7.10 kg	19	9	7	3	2	1	41	3
G 10-52	8.00 kg	5	2	0	1	0	0	8	0
Totals	100.40 kg	214	100	76	33	8	3	434	12

* Number of Diamonds measuring greater than 0.5mm in one dimension.

5. **Full Description of Material Change**

Please see attached Press Release issued September 6, 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 10th day of September, 2001.

PELE MOUNTAIN RESOURCES INC.

"Alan L. Shefsky"

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



Pele Mountain Resources Inc.

Symbol: YPN

Listing: The Canadian Venture Exchange

Common Shares Outstanding: 23,528,981

New Discovery Expands Diamond Bearing Volcanic Diatreme

FOR IMMEDIATE RELEASE

September 6, 2001, Toronto: Pele Mountain Resources Inc. (“**Pele**”) (CDNX:YPN) is pleased to announce yet another new diamond discovery at Pele’s Festival Property, 25 kms north of Wawa where Pele controls a 100% interest in the mineral rights. The new diamond discovery has been named the Dom Perignon diamond occurrence and it indicates that the volcanic diatreme announced on May 3, 2001, appears to be much larger than initially believed. Caustic fusion results from a composite sample of breccia collected at the Dom Perignon diamond occurrence have returned the highest diamond counts from Pele’s Festival Property to date.

A composite sample of approximately 100 kg of breccia was collected from bedrock on the western shoreline of Perch Lake. The sample was collected across a width of 90 meters which remains open in both directions. Each sub-sample within the composite weighed approximately 8 kg except for sample G 10-13 which weighed 26.35kg. Every sub-sample returned diamonds. The total number of diamonds recovered was 434 and the diamonds were distributed throughout all of the sieve size fractions up to and including +600 microns. The largest diamond recovered from the composite sample measured 1.16mm x 0.67mm x 0.56mm. The composite sample was collected by Pele’s project geologist, P.C. Delisle, an independent Qualified Person and was processed at Saskatchewan Research Council (“SRC”).

According to Dr. Edward Walker, an independent consultant, “the Dom Perignon diamond occurrence is characterized by discrete, crudely zoned layers (up to 1 metre thick) of fine-grained mica-rich groundmass with variable proportions and sizes of felsic and mafic fragments. At one location, a mafic fragment of pillowed basalt was observed measuring approximately 3 meters x 2 meters in size. The association of diamonds in layered rocks with large (>1 meter) and smaller fragments (<2 cm) hosted within a fine-grained groundmass among other textural relationships observed at the occurrence are considered to be indicative of a high-energy explosive volcanic eruption. Related diamond-bearing volcanic facies of rock have been observed along the east and west side of Perch Lake (Perch East and Perch West diamond occurrences) and related facies of rock that have yet to be sampled are present beyond the north and south end of Perch Lake, indicating a strike length greater than 1 km.”

Dr. Walker also stated “the discovery of the Dom Perignon diamond occurrence is very exciting when one considers the extensive size of this diamond-bearing system and the fact that commercial size and “gem quality” diamonds have already been recovered from samples collected on Pele’s Festival Property. I believe that the prospecting, geological mapping and sampling work completed by Pele has discovered a previously unrecognized diamond bearing Archean age maar volcanic complex with preserved crater and diatreme facies of rock. Based on all the data available at this time there is a significant potential for economic diamond deposits at Pele’s Festival Property.”

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Totals	100.40 kg	214	100	76	33	8	3	434	12

* Number of Diamonds measuring greater than 0.5mm in one dimension.

Pele is a Canadian mining exploration and development company and a leader in the search for economic diamond deposits in Northern Ontario. Pele controls a 100% mineral rights interest in more than 100 square kilometers at the Festival Property north of Wawa. Pele also owns a 100% interest in two gold projects in northwestern Ontario.

For further information please contact Al Shefsky, President at (416) 368-7224, or visit our website at www.pelemountain.com.

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