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 7, 2001

3. **Press Release**

   Press Releases issued on August 30, 2001 and September 7, 2001 via a Canadian news wire service. Copies of these Press Releases have been filed via SEDAR and are attached hereto.

4. **Summary of Material Change**

   The Issuer announced that it has closed its previously announced (August 30, 2001) private placement (the "**Private Placement**") with an arm's length subscriber of 750,000 units in the capital of the Issuer (the "**Units**") at $0.20 per Unit for total aggregate consideration of $150,000. Each Unit is comprised of: one (1) common share of the Issuer and ½ Series C purchase warrant, where each whole Series C purchase warrant is exercisable until September 5, 2001 to acquire one (1) additional common share of the Issuer at $0.30. Proceeds from this Private Placement will be used for general administration and working capital purposes.

5. **Full Description of Material Change**

   See paragraph 4 above and the press releases referred to in paragraph 3 above, copies of which are attached.

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

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

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Pele Mountain Resources Inc.

Symbol: YPN
Listing: The Canadian Venture Exchange
Common Shares Outstanding: 23,528,981

FOR IMMEDIATE RELEASE

August 30, 2001 Toronto: Pele Mountain Resources Inc. (CDNX:YPN) ("**Pele**") announced today that it intends to complete a non-brokered private placement offering (the "**Offering**") of 750,000 Units at a purchase price of $0.20 per Unit for total proceeds of $150,000 to an arm's length investor. Each Unit consists of one (1) Common Share of Pele at $0.20 and one-half (1/2) Series C Share Purchase Warrant where each whole Series C Purchase Warrant is exercisable into one (1) Common Share of Pele at a purchase price of $0.30 per Common Share for a period of one year following the date of closing. The Offering is subject to CDNX acceptance of requisite regulatory filings.

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

Currently, Pele has 23,528,981 common shares issued and outstanding.

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

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Pele Mountain Resources Inc. 2200 Yonge Street, Suite 1002 Toronto, ON M4S 2C6
Phone: (416) 368-7224 Fax: (416) 368-7230 E-mail: info@pelemountain.com

Pele Mountain Resources Inc.

Symbol: YPN
Listing: The Canadian Venture Exchange
Common Shares Outstanding: 24,278,981

PELE MOUNTAIN COMPLETES PRIVATE PLACEMENT

FOR IMMEDIATE RELEASE

September 7, 2001 Toronto: Pele Mountain Resources Inc. ("**Pele**") (**CDNX:YPN**) announced today that it has closed its previously announced (August 30, 2001) non-brokered private placement offering (the "Offering") with an arm's length investor for 750,000 units in the capital of Pele (the "Units") at a purchase price of $0.20 per Unit for total aggregate consideration of $150,000. Each Unit is comprised of one (1) common share of Pele and one-half (1/2) Series C purchase warrant where each whole Series C purchase warrant is exercisable until September 6, 2002 to acquire one (1) additional common share of Pele at a purchase price of $0.30. The securities underlying the Units are subject to a CDNX imposed four month hold period. Proceeds will be used for general administrative and working capital purposes.

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.

Currently, Pele has 24,278,981 common shares issued and outstanding, which total includes today's issuance of 750,000 common shares of Pele pursuant to the private placement referred to above.

For further information 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.