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 TSX Venture Exchange.*

1. **Reporting Issuer**

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

2. **Date of Material Change**

June 27, 2002

3. **Press Release**

Press Release issued on June 27, 2002 via a Canadian news wire service, a copy of which has been filed via SEDAR.

4. **Summary of Material Change**

The Issuer announced that it issued 2,272,726 units (each a "**Unit**") from its capital stock at $0.22 per Unit for total gross proceeds of $500,000 in the aggregate to a single arm's-length subscriber, Robert Salna (the "**Subscriber**"), on June 27, 2002. Each Unit is comprised of one (1) Flow-Through Share and one-half (1/2) non-transferable Series F flow-through common share purchase warrant (each a "**Series F Warrant**"), each whole Series F Warrant being exercisable for a period of one (1) year after Closing to acquire an additional Flow-Through Share of the Issuer at $0.32 per share. Accordingly, a total of 2,272,726 Flow-Through Shares and 1,136,363 Series F Warrants were issued to the Subscriber on Closing.

The Subscriber acquired the 2,272,726 Units for investment purposes only and not for the purpose of influencing the control or direction of the Issuer and may in the future increase or decrease his ownership of securities of the Issuer from time to time depending upon the business and prospects of the Issuer and future market conditions. The Subscriber now owns a total of 4,622,726 common shares of the Issuer representing approximately 16.47 % of all of the currently issued and outstanding shares of the Issuer, including those issued today in connection with the Offering. The Subscriber also holds Series F Warrants entitling him to acquire up to an additional 1,136,363 flow-through common shares of the Issuer (being the Series F Warrants purchased by the Subscriber pursuant to the Offering) which expire on June 27, 2003.

5. **Full Description of Material Change**

Please see attached Press Release issued June 27, 2002.

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 Shefsky, President and Chief Executive Officer
Telephone: 416-368-7224
Facsimile: 416-368-7230
E-mail: info@pelemountain.com
Internet: www.pelemountain.com

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto this 27th day of June, 2002.

PELE MOUNTAIN RESOURCES INC.

"Alan Shefsky"

Per: ______________________________
Name: Alan Shefsky
Title: President and Chief Executive Officer

Pele Mountain Resources Inc.

Symbol: YPN
Listing: The TSX Venture Exchange
Common Shares Outstanding: 28,059,354

FOR IMMEDIATE RELEASE

June 27, 2002, Toronto: Pele Mountain Resources Inc. (**TSX Venture:YPN**) ("**Pele**") is pleased to announce today that it has completed its previously announced (May 13, 2002) non-brokered prospectus-exempt offering (the "**Offering**") of 2,272,726 flow-through units in the capital stock of Pele (each a "**Unit**") to Mr. Robert Salna, a single arm's length investor for total proceeds of $500,000. Each Unit is comprised of one (1) flow-through common share (each a "**Flow-Through Share**") issued at $0.22 per share and one-half (1/2) non-transferable Series F flow-through purchase warrant (each a "**Series F Warrant**") issued for nominal consideration, where each whole Series F Warrant is exercisable until June 27, 2003 to purchase one (1) additional Flow-Through Share at a purchase price of $0.32 per share. The securities underlying the Units, including the Flow-Through Shares and Series F Warrants issued and the Flow-Through Shares issuable upon due exercise of the Series F Warrants, are all subject to a statutory 12-month hold period commencing from the date of issuance. The Offering is subject to TSX Venture Exchange acceptance of requisite regulatory filings.

Mr. Salna acquired the 2,272,726 Units of Pele for investment purposes only and not for the purpose of influencing control or direction over Pele and may in the future increase or decrease his ownership of securities of Pele from time to time depending upon the business and prospects of Pele and future market conditions. Mr. Salna now own a total of 4,622,726 common shares of Pele representing approximately 16.47% of all of the currently issued and outstanding shares of Pele, including those issued today in connection with the Offering. Mr. Salna also holds Series F Warrants entitling him to acquire up to an additional 1,136,363 flow-through common shares of Pele (being the Series F Warrants purchased by Mr. Salna pursuant to the Offering) which expire on June 27, 2003.

All proceeds raised under the Offering will be used by Pele to finance Canadian exploration and development expenditures on its Canadian resource properties. Pele will undertake to use its commercially reasonable best efforts to expend all proceeds from the Offering prior to February 28, 2003 and to renounce these expenditures to the subscriber effective no later than December 31, 2002. All costs associated with the Offering will be paid by the Corporation from its general funds.

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 the 101 square km Festival Property, which is located 25 kms north of Wawa. Pele also owns a 100% interest in two gold projects in northwestern Ontario.

Currently, Pele has 28,059,354 common shares issued and outstanding, which total includes the issuance of 2,272,726 flow-through common shares of Pele referred to above.

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

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

Some of the statements contained in this release are forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.