

**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, Ontario M4S 2C6

2. Date of Material Change

June 28, 2002

3. Press Release

Press Release issued on June 28, 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 180,000 Units (the "**Units**") from its capital stock at \$0.28 per Unit or \$50,400 in the aggregate to a single off-shore arm's length subscriber on June 28, 2002. Each Unit is comprised of one (1) common share of the Issuer and one (1) Series H common share purchase warrant (each a "**Series H Warrant**"), each Series H Warrant entitling the holder thereof to acquire an additional common share of the Issuer at \$0.50 per share expiring on June 30, 2003.

5. Full Description of Material Change

Please see attached Press Release issued June 28, 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 L. Shefsky, President and Chief Executive Officer

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 28th day of June, 2002.

PELE MOUNTAIN RESOURCES INC.

Per: "Alan L. Shefsky"
Name: Alan L. Shefsky
Title: President and Chief Executive Officer



Pele Mountain Resources Inc.

Symbol: YPN
Listing: TSX Venture Exchange
Common Shares Outstanding: 28,239,354

FOR IMMEDIATE RELEASE

June 28, 2002, Toronto: Pele Mountain Resources Inc. (TSX Venture:YPN) ("Pele") is pleased to announce today that it has issued 180,000 units in the capital of Pele (each a "Unit") at a purchase price of \$0.28 per Unit for total proceeds of \$50,400 to a single off-shore arm's length subscriber pursuant to its previously announced (May 28, 2002) non-brokered unit offering (the "Offering"). Each Unit consists of one (1) Common Share and one (1) Series H Purchase Warrant, where each whole Series H Purchase Warrant is exercisable to acquire one (1) additional common share of Pele at a purchase price of \$0.50 per share, expiring June 30, 2003. The securities underlying the Units, including the Series H Purchase Warrants issued and the Common Shares issuable upon due exercise of the Series H Purchase Warrants, will all be subject to TSX Venture imposed four month hold period. Proceeds raised under the Offering will be used for general working capital purposes. The Offering is subject to TSX Venture Exchange 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 controls a 100% mineral rights interest in the 101 square km Festival Property, which is located 20 kms north of Wawa. Pele also owns a 100% interest in two gold projects in northwestern Ontario.

Currently, Pele has 28,239,354 common shares issued and outstanding, which total includes the issuance of 180,000 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.