

**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**

November 29, 2002

3. **Press Release**

See Press Releases issued by the Issuer on October 28, 2002 and November 29, 2002 via a Canadian news wire service, copies of which have been filed via SEDAR and are attached hereto.

4. **Summary of Material Change**

The Issuer announced that the TSX Venture Exchange (the "**Exchange**") has approved the Issuer's application for graduation from Tier 3 to Tier 2 status on the Exchange. The Issuer also announced that it issued 2,100,000 flow-through units (the "**Units**") from its capital stock at \$0.24 per Unit or \$504,000.00 in the aggregate to a single arm's length subscriber on November 29, 2002 (the "**Offering**"). Each Unit is comprised of one (1) flow-through common share of the Issuer (the "**Flow-Through Share**") and one-half (1/2) of one flow-through common share purchase warrant (the "**Purchase Warrant**"), each whole Purchase Warrant entitling the holder thereof to acquire an additional Flow-Through Share at \$0.32 per share expiring on November 29, 2003. The securities underlying the Units, including the Flow-Through Shares and Purchase Warrants issued and the Flow-Through Shares issuable upon due exercise of the Purchase Warrants, will be subject to a statutory 4-month hold period commencing November 29, 2002.

As consideration for the services of Dundee Securities Corporation (the "**Agent**") in connection with the Offering, the Issuer also issued to the Agent, 147,000 common shares of the Issuer (the "**Agent Shares**") and 147,000 common share purchase warrants (the "**Agent Warrants**"). The Agent Shares and Agent Warrants represent in shares and warrants, respectively, 7% of the total number of Units issued. Each Agent Warrant is exercisable to acquire one additional common share of the Issuer at \$0.24 per common share expiring on November 29, 2003. The Agent Shares and Agent Warrants issued and the common shares of the Issuer issuable upon due exercise of the Agent Warrants, will be subject to a statutory 4-month hold period commencing November 29, 2002.

5. **Full Description of Material Change**

Please see attached Press Releases issued October 28, 2002 and November 29, 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 29th day of November, 2002.

PELE MOUNTAIN RESOURCES INC.

Per: Signed "Alan L. Shefsky"_____

Name: Alan L. Shefsky

Title: President and Chief Executive Officer

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Pele Mountain Resources Inc.

Symbol: YPN
Listing: The TSX Venture Exchange
Common Shares Outstanding: 30,486,354

FOR IMMEDIATE RELEASE

November 29, 2002, Toronto: Pele Mountain Resources Inc. (TSX Venture:YPN) ("**Pele**") (the "**Company**") is pleased to announce that the TSX Venture Exchange (the "**Exchange**") has approved the Company's application for graduation from Tier 3 to Tier 2 on the Exchange. Pele's graduation to Tier 2 status is a significant corporate landmark in that it allows the Company to take advantage of more favourable Exchange financing mechanisms and a more favourable Exchange regulatory environment. The Company's common shares currently trade on Tier 3 of the Exchange under the trading symbol, "YPN". At the opening of markets today, Pele's common shares commence trading on Tier 2 of the Exchange under its new trading symbol, "GEM".

Pele is also pleased to announce the issuance of 2,100,000 flow-through units in the capital of Pele (each a "**Unit**") at a purchase price of \$0.24 per Unit for total proceeds of \$504,000 to a single arm's length subscriber pursuant to its previously announced (October 28, 2002) brokered, flow-through unit offering (the "**Offering**"). Each Unit consists of one (1) flow-through common share ("**Flow-Through Share**") and one-half (1/2) of one non-transferable flow-through common share purchase warrant ("**Purchase Warrant**") for a total of 2,100,000 Flow-Through Shares and 1,050,000 Purchase Warrants. Each whole Purchase Warrant entitles the holder thereof to purchase one (1) Flow-Through Share at a price of \$0.32 until November 29, 2003.

The securities underlying the Units, including the Flow-Through Shares and Purchase Warrants issued and the Flow-Through Shares issuable upon due exercise of the Purchase Warrants, will be subject to a statutory 4-month hold period commencing November 29, 2002.

All proceeds raised under the Offering and upon exercise of the Purchase Warrants (if any) will be used by Pele to finance qualified Canadian Exploration Expenditures on its diamond projects in Ontario. All costs associated with the Offering will be paid by the Company from its general funds.

As compensation for the services of Dundee Securities Corporation (the "**Agent**") in connection with the Offering, the Company has also issued 147,000 common shares (the "**Agent Shares**") and 147,000 common share purchase warrants (the "**Agent Warrants**") to the Agent. Each of the Agent Shares and Agent Warrants represent in shares and warrants, respectively, 7% of the total number of Units placed pursuant to this Offering. Each Agent Warrant is exercisable to acquire one (1) additional common share in the capital of Pele at a price of \$0.24, and will expire on November 29, 2003. The Agent Shares and Agent Warrants issued and the common shares of the Company issuable upon due exercise of the Agent Warrants, will be subject to a statutory 4-month hold period commencing November 29, 2002. The Agent has also been granted a right of first refusal to provide future brokered equity or equity-based financings, on behalf of Pele of greater than \$500,000 until November 14, 2003.

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 30,486,354 common shares issued and outstanding, which total includes the issuance of 2,100,000 Flow-Through Shares and 147,000 Agent Shares 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.



Pele Mountain Resources Inc.

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

FOR IMMEDIATE RELEASE

October 28, 2002, Toronto: Pele Mountain Resources Inc. (TSX Venture:YPN) ("Pele") (the "Company") is pleased to announce the terms of a proposed private placement offering of up to 4,166,668 flow-through units ("Units") at \$0.24 per Unit for gross proceeds of up to \$1,000,000 (the "Offering"). Each unit will be comprised of one (1) flow-through common share ("Flow-Through Share") and one-half (1/2) non-transferable flow-through common share purchase warrant ("Purchase Warrant"). Each whole Purchase Warrant will entitle the holder thereof to purchase one (1) Flow-Through Share at a price of \$0.32 for a period of (a) 12 months after closing if the Company is then a Qualifying Issuer, or (b) 18 months after closing if the Company is not then a Qualifying Issuer. The proceeds of the Offering will be used to incur qualified Canadian Exploration Expenses on Pele's diamond projects. The Offering remains subject to execution and delivery of standard documentation, completion of all requisite filings and receipt of all regulatory approvals.

Proceeds of and certain documents relating to the Offering are scheduled to be delivered in escrow (the "Escrow") on or about November 1, 2002 (the "Escrow Date") with closing to occur on the earlier of: (a) three business days after the Company becomes a Qualifying Issuer; and (b) November 29, 2002. If the Company is not a Qualifying Issuer by November 29, 2002, or within five business days after the Company notifies the Agent that the Company will not become a Qualifying Issuer by such date, then, at the sole option of each of the subscribers, either: (a) the Escrow will be terminated and the subscription proceeds and other documents held in Escrow will be returned to the subscribers; or (b) the Escrow will be released and the Offering completed.

Dundee Securities Corporation will act as agent (the "Agent") for the Offering on a best efforts basis and, provided at least \$500,000 of the Offering is completed, will be paid a fee payable in common shares of Pele equal to 7% of the total number of Flow-Through Units placed. In addition, the Agent will receive a broker warrant (the "Broker Warrant") exercisable for common shares equal in number to 7% of the total number of Units placed. The Broker Warrant will be exercisable at a price of \$0.24 per common share for a period of: (a) 12 months after closing if the Company is then a Qualifying Issuer; (b) 18 months after closing if the Company is not then a Qualifying Issuer; and (c) 20 months after the Escrow Date if the Escrow is terminated. Subject to certain limitations, the Company will also pay all reasonable fees and expenses incurred by the Agent in connection with the Offering whether or not the Offering or any part thereof is completed.

The Agent shall also be granted a right of first refusal to provide future brokered equity or equity-based financings of greater than \$500,000 for a period of 12 months after the Escrow Date.

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.

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.*