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**

December 18, 2002

3. **Press Release**

See Press Releases issued by the Issuer on December 13, 2002 and December 19, 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 it issued 1,475,000 units (the "**Units**") from its capital stock at $0.20 per Unit or $295,000.00 in the aggregate to two (2) single arm's length subscribers on December 18, 2002 (the "**Offering**"). Each Unit is comprised of one (1) common share of the Issuer (the "**Common Share**") and one-half (1/2) of one common share purchase warrant (the "**Purchase Warrant**"), each whole Purchase Warrant entitling the holder thereof to acquire an additional Common Share at $0.30 per share expiring on June 18, 2004. The securities underlying the Units, including the Common Shares and Purchase Warrants issued and the Common Shares issuable upon due exercise of the Purchase Warrants, will be subject to a statutory 4-month hold period commencing December 18, 2002.

5. **Full Description of Material Change**

Please see attached Press Releases issued December 13, 2002 and December 19, 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 19th day of December, 2002.

PELE MOUNTAIN RESOURCES INC.

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

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Pele Mountain Resources Inc.

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

Pele Mountain Announces Proposed Offering of Units

FOR IMMEDIATE RELEASE

December 13, 2002, Toronto: Pele Mountain Resources Inc. **(TSX Venture:GEM)** ("**Pele**") (the "**Company**") announced today a proposed non-brokered offering (the "**Offering**") of 1,475,000 Units in its capital stock (each a "**Unit**") at a purchase price of $0.20 per Unit for total proceeds of $295,000 to arm's length investors. Each Unit consists of one (1) common share of Pele and one-half (1/2) of one Series J Purchase Warrant, where each whole Series J Purchase Warrant is in turn exercisable to acquire an additional common share of Pele at a purchase price of $0.30 per share for a period of eighteen (18) months following the date of issuance. All proceeds raised under this Offering will be used for general working capital purposes. Closing of the Offering is scheduled for December 18, 2002 and remains subject to TSX Venture Exchange acceptance of requisite 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 25 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.

Pele Mountain Resources Inc.

Symbol: GEM
Listing: The TSX Venture Exchange
Common Shares Outstanding: 31,961,354

Pele Mountain Completes Offering of Units

FOR IMMEDIATE RELEASE

December 19, 2002, Toronto: Pele Mountain Resources Inc. (**TSX Venture:GEM**) ("**Pele**") (the "**Company**") is pleased to announce that it has completed its previously announced (December 13, 2002) non-brokered offering (the "**Offering**") of 1,475,000 Units in its capital stock (each a "**Unit**") at a purchase price of $0.20 per Unit for total proceeds of $295,000 to two (2) arm's length investors. Dundee Precious Metals Fund subscribed for a total of 1,250,000 Units for aggregate proceeds of $250,000 under the Offering. Another arm's length investor subscribed for a total of 225,000 Units for aggregate proceeds of $45,000 under the Offering. Each Unit is comprised of one (1) common share of Pele and one-half (1/2) of one Series J Purchase Warrant, where each whole Series J Purchase Warrant is in turn exercisable to acquire an additional common share of Pele at a purchase price of $0.30 per share until June 18, 2004. All proceeds raised under this Offering will be used for general working capital purposes. The Offering remains subject to TSX Venture Exchange acceptance of requisite 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 31,961,354 common shares issued and outstanding, which total includes the issuance of 1,475,000 commons 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.