

**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 30, 2002

3. **Press Release**

See Press Releases issued by the Issuer on December 19, 2002 and December 30, 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 350,000 flow-through units (the "**Flow-Through Units**") from its capital stock at \$0.24 per Flow-Through Unit or \$84,000.00 in the aggregate to five (5) single arm's length subscribers on December 30, 2002 (the "**Offering**"). Each Flow-Through 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 June 30, 2004. The securities underlying the Flow-Through 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 on the date of issuance.

5. **Full Description of Material Change**

Please see attached Press Releases issued December 19, 2002 and December 30, 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 30th day of December, 2002.

PELE MOUNTAIN RESOURCES INC.

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



Pele Mountain Resources Inc.

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

Pele Mountain Announces Proposed Offering of Units

FOR IMMEDIATE RELEASE

December 19, 2002, Toronto: Pele Mountain Resources Inc. (TSX Venture:GEM) (“Pele”) (the “Company”) is pleased to announce the terms of a proposed prospectus-exempt offering (the “Offering”) of up to 400,000 units in the capital stock of Pele (each a “Unit”) to arm’s length investors. Each Unit is comprised of one (1) flow-through common share (each a “Flow-Through Share”) issued at a purchase price of \$0.24 per share for total gross proceeds of \$96,000 and one-half (1/2) non-transferable Series K flow-through purchase warrant (each a “Series K Warrant”) issued for nominal consideration, where each whole Series K Warrant is exercisable for a period of eighteen (18) months after closing to purchase one (1) additional Flow-Through Share at a purchase price of \$0.32 per share. The Offering is scheduled to close on December 30, 2002. The securities underlying the Units, including the Flow-Through Shares and Series K Warrants issued on closing and the Flow-Through Shares issuable upon due exercise of the Series K Warrants, will all be subject to a 4 month statutory hold commencing from the date of issuance. The Offering is subject to TSX Venture Exchange acceptance of requisite regulatory filings.

All proceeds raised under this Offering will be used by Pele to finance Canadian exploration and development expenditures on its Canadian resource properties. All costs associated with the Offering will be paid by the Corporation from its general funds.

Pele is also pleased to announce TSX Venture Exchange acceptance has been granted for the Private Placement (announced earlier today) of 1,475,000 Units in the capital of Pele for gross proceeds of \$295,000.

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.



Pele Mountain Resources Inc.

Symbol: GEM

Listing: The TSX Venture Exchange

Common Shares Outstanding: 32,311,354

Pele Mountain Completes Offering of Flow-Through Units

FOR IMMEDIATE RELEASE

December 30, 2002, Toronto: Pele Mountain Resources Inc. (TSX Venture:GEM) (“Pele”) (the “Company”) is pleased to announce the issuance of 350,000 flow-through units in the capital of Pele (each a “Flow-Through Unit”) at a purchase price of \$0.24 per Flow-Through Unit for total proceeds of \$84,000 to five (5) arm’s length subscribers pursuant to its previously announced (December 19, 2002) private placement (the “Offering”). Each Flow-Through Unit is comprised of one (1) flow-through common share (each a “Flow-Through Share”) and one-half (1/2) non-transferable Series K flow-through purchase warrant (each a “Series K Warrant”), where each whole Series K Warrant is exercisable until June 30, 2004 to purchase one (1) additional Flow-Through Share at a purchase price of \$0.32 per share. The securities underlying the Flow-Through Units, including the Flow-Through Shares and Series K Warrants issued and the Flow-Through Shares issuable upon due exercise, if any, of the Series K Warrants, will all be subject to a 4 month statutory hold commencing December 30, 2002.

All proceeds raised under this Offering will be used by Pele to finance Canadian exploration and development expenditures on its Canadian resource properties. 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 20 kms north of Wawa. Pele also owns a 100% interest in two gold projects in northwestern Ontario.

Currently, Pele has 32,311,354 common shares issued and outstanding, which total includes the issuance of 350,000 Flow-Through Shares referred to above.

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

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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.