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**

   February 28, 2003

3. **Press Release**

   See Press Release issued by the Issuer on February 28, 2003 via a Canadian news wire service, a copy of which has been filed via SEDAR and attached hereto.

4. **Summary of Material Change**

   David Whittaker, an arm's length consultant of the Issuer, exercised certain of his stock options to purchase 50,000 common shares of the Issuer at an exercise price of $0.25 per common share or $12,500 in the aggregate.

5. **Full Description of Material Change**

   Please see attached Press Release issued February 28, 2003.

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 3rd day of March , 2003.

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: TSX Venture Exchange
Common Shares Outstanding: 32,601,354

FOR IMMEDIATE RELEASE

February 28, 2003, Toronto: Pele Mountain Resources Inc. (**TSX Venture:GEM**) ("**Pele**") announced today that an arm's length consultant has exercised options to purchase 50,000 common shares at $0.25 per share for total aggregate consideration of $12,500.

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 Diamond 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 32,601,354 common shares issued and outstanding, which total includes the 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 Pele's future plans, objectives or goals, including words to the effect that Pele 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. None of the Company's properties have any known ore body of economic or commercial value.