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 16, 2003

3. **Press Release**

   See Press Releases issued by the Issuer on May 29, 2003 and June 17, 2003 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 2,000,000 flow-through common shares (each a "**Flow-Through Share**") from its capital stock at $0.25 per Flow-Through Share or $500,000.00 in the aggregate to a single arm's length subscriber on June 16, 2003 (the "**Offering**"). The Flow-Through Shares issued pursuant to the Offering will be subject to a statutory 4-month hold period commencing June 16, 2003.

   As consideration for the services of Dundee Securities Corporation (the "**Agent**") in connection with the Offering, the Company has also issued to the Agent 140,000 common shares (the "**Agent Shares**") and a common share purchase warrant exercisable to acquire an additional 140,000 common shares in the capital of Pele at an exercise price of $0.25 per common share (the "**Agent Warrant**"). The Agent Shares and Agent Warrant represent in shares and warrants, respectively, a cash fee equal to 7% of the gross proceeds raised in the Offering payable in common shares of the Company at the attributed value of $0.25 per common share and 7% of the total number of Flow-Through Shares placed pursuant to this Offering. The Agent Shares and Agent Warrant issued and the common shares of the Company issuable upon due exercise of the Agent Warrant, will be subject to a statutory 4-month hold period commencing June 16, 2003.

5. **Full Description of Material Change**

Please see attached Press Releases issued May 29, 2003 and June 17th, 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 17th day of June, 2003.

PELE MOUNTAIN RESOURCES INC.

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

Pele Mountain Resources Inc.

Symbol: GEM
Listing: The TSX Venture Exchange
Common Shares Outstanding: 34,329,014

FOR IMMEDIATE RELEASE

May 29, 2003, Toronto: Pele Mountain Resources Inc. (**TSX Venture:GEM**) ("**Pele**") (the "**Company**") is pleased to announce the terms of a proposed private placement offering of up to 2,000,000 flow-through common shares ("**Flow-Through Shares**") at $0.25 per share for gross proceeds of up to $500,000 (the "**Offering**"). The proceeds of the Offering will be used to incur qualified Canadian Exploration Expenses. The Offering remains subject to execution and delivery of standard documentation, completion of all requisite filings and receipt of all regulatory approvals. The Offering is scheduled to close during June 2003.

Dundee Securities Corporation will act as agent (the "**Agent**") for the Offering on a best efforts basis and will be paid a fee equal to 7% of the gross proceeds raised in the Offering payable in common shares of Pele at an issued price of $0.25 per common share. 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 Flow-Through Common Shares sold under the Offering. The Broker Warrant will be exercisable at a price of $0.25 per common share for a period of 24 months after the Closing Date. The Agent will also be granted a right of first refusal to provide future brokered equity financings of greater than $500,000 for a period of 12 months after the Closing 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.*

Pele Mountain Resources Inc.

Symbol: GEM
Listing: The TSX Venture Exchange
Common Shares Outstanding: 36,469,014

FOR IMMEDIATE RELEASE

June 17, 2003, Toronto: Pele Mountain Resources Inc. (**TSX Venture:GEM**) ("**Pele**") (the "**Company**") is pleased to announce the issuance of 2,000,000 flow-through common shares in the capital of Pele (each a "**Flow-Through Share**") at a purchase price of $0.25 per Flow-Through Share for total proceeds of $500,000 to a single arm's length subscriber pursuant to its previously announced (May 29, 2003) brokered, flow-through offering (the "**Offering**"). The Flow-Through Shares will be subject to a 4-month hold period commencing June 16, 2003. This Offering is subject to the final acceptance from the TSX Venture Exchange of requisite regulatory filings.

All proceeds raised under the Offering will be used by Pele to finance qualified Canadian Exploration Expenditures on its mining 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 to the Agent 140,000 common shares (the "**Agent Shares**") and a common share purchase warrant exercisable to acquire an additional 140,000 common shares in the capital of Pele at an exercise price of $0.25 per common share until June 16, 2005 (the "**Agent Warrant**"). The Agent Shares and Agent Warrant represent in shares and warrants, respectively, a cash fee equal to 7% of the gross proceeds raised in the Offering payable in common shares of the Company at the attributed value of $0.25 per common share and 7% of the total number of Flow-Through Shares placed pursuant to this Offering. The Agent Shares and Agent Warrant issued and the common shares of the Company issuable upon due exercise of the Agent Warrant, will be subject to a 4-month hold period commencing June 16, 2003. 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 June 16, 2004.

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 36,469,014 common shares issued and outstanding, which total includes the issuance of 2,000,000 Flow-Through Shares and 140,000 Agent Shares referred to above.

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