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**

October 7, 2003.

3. **Press Release**

See Press Releases issued by the Issuer on October 8, 2003 via a Canadian news wire service, copies of which have been filed via SEDAR.

4. **Summary of Material Change**

The Issuer announced that on October 7, 2003 it closed the second and final round of a private placement financing of up to $600,000 (the "**Financing**") originally announced on September 22, 2003. The First Round of 830,000 units ("**Units**") for gross proceeds of $5,000 closed as of September 30, 2003 with a total of 11 arms' length subscribers participating and, additionally, a finder's fee of $21,000 cash and 60,000 broker warrants (the "**Broker Warrants**") were payable to registered dealers acting in furtherance of the First Round . The Second Round of 360,000 Units for gross proceeds of $180,000 closed as of October 7, 2003 with a total of 9-arms' length subscribers participating and, additionally, a finder's fee of $7,000 cash and 20,000 Broker Warrants were payable to registered dealers acting in furtherance of the Second Round. The Issuer closed the Second Round on October 7, 2003 bringing the total proceeds from the entire Financing announced on September 22, 2003 to $595,000

The Issuer also announced that on October 10, 2003 it closed a non-brokered prospectus exempt private placement with one arm's length subscriber of a total of 200,000 Units at $0.50 a Unit for gross proceeds of $100,000 to the Issuer.

Each Unit is comprised of 1/2 flow-through common share, 1/2 common share and 1/2 Series M common share purchase warrant. Each whole Series M purchase warrant is exercisable to purchase one common share at $0.60 per share for up to 12-months following closing.

5. **Full Description of Material Change**

Please see Press Releases issued October 8, 2003 and October 10, 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 as of October 16, 2003.

PELE MOUNTAIN RESOURCES INC.

"Alan L. Shefsky"

Per: ______________________________

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