

**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 27, 2003.

3. Press Release

See press release issued by the Issuer on October 27 2003 via a Canadian news wire service, a copy of which has been filed via SEDAR.

4. Summary of Material Change

The Issuer announced on October 27, 2003 that it has initiated a plan (the "**Plan**") to separate the Issuer's gold exploration projects from its diamond exploration projects. Under the Plan, the Issuer's Ardeen Gold Mine Project and Wawa Gold Project are being transferred to a newly incorporate wholly owned subsidiary, Pele Gold Corporation ("**Pele Gold**"), with officers and directors who are also officers and directors of the Issuer. The transfer is being achieved through a "tax-neutral" roll over agreement whereby the Issuer transfers its 100% interest in its two gold projects in exchange for the issuance of 20,000,000 common shares of Pele Gold at an attributed value equal to the tax cost of both projects. On a go forward basis, Pele Gold will retain all benefits and be responsible for all obligations relating to these two gold projects. The Issuer is exempt from certain Ontario Securities Commission (the "**OSC**") requirements to prepare a formal valuation in respect of the roll over of the Ardeen Gold Mine Project and the Wawa Gold Project (as set out in OSC Rule 61-501) as this transaction between the Issuer and Pele Gold is a transaction between the Issuer and a wholly-owned subsidiary.

5. Full Description of Material Change

Please see press release issued October 27, 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

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9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto as of November 3, 2003.

PELE MOUNTAIN RESOURCES INC.

"Alan Shefsky"

Per:

ALAN L. SHEFSKY

President and Chief Executive Officer