

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**

March 17, 2004.

3. **Press Release**

Released March 17, 2004 and via a Canadian news wire service, copy of which has been filed via SEDAR.

4. **Summary of Material Change**

De Beers Canada Exploration Inc. ("**De Beers**") has reported to the Issuer the recovery of a 0.9 carat (broken) diamond from the Genesis diamond occurrence located within the Issuer's Festival Property, north of Wawa, Ontario. The 0.9 carat diamond was recovered from an ultramafic facies of rock that is comparable to the facies of rock from which the 0.72 carat, white, gem quality diamond (the Big Goose) was previously discovered.

In late 2003, De Beers collected four bulk samples weighing a total of 258 tonnes and processed them at their DMS facilities in Grande Prairie. The processing circuit recovered diamonds greater than 1mm square mesh sieve size which is a routine practice for bulk samples in this size range. The 0.85mm to 1.00mm size fraction was collected and retained at the Issuer's request but has not yet been processed and any commercial size diamonds in this size fraction are not included in the bulk sample results reported to date.

5. **Full Description of Material Change**

Please see press release issued March 17, 2004.

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 as of March 18, 2004.

PELE MOUNTAIN RESOURCES INC.

"ALAN SHEFSKY"

Per

Name: ALAN L. SHEFSKY

Title: President and Chief Executive Officer