FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Pele Mountain Resources Inc. (the "**Issuer**")
2200 Yonge Street
Suite 1002
Toronto, ON M4S 2C6

Item 2. Date of Material Change

July 11, 2006.

Item 3. Press Release

Press release issued by the Issuer on July 11, 2006 via a Canadian news wire service, a copy of which has been filed via SEDAR.

Item 4. Summary of Material Change

Announcement with respect to the signing of an option agreement with Wallbridge Mining Company Ltd. ("**Wallbridge**") on the Issuer's Sudbury Offset Project.

Item 5. Full Description of Material Change

The Issuer announced that that it has signed an option agreement with Wallbridge on the Issuer's 100-percent owned Sudbury Offset Project (the "**Project**") in northern Ontario. The Project consists of approximately 350 mining claim units covering 14,000 acres in the prolific Sudbury Mining Camp, extending from the northern boundary of Levack Township into Harty and Foy townships, north of FNX Mining Company operations and about one kilometre southwest of the Foy Offset Dike.

Wallbridge will operate the Project during the option period and can earn a 60-percent interest by issuing 1.05 million of its common shares to the Issuer and by making $1.2-million in work expenditures by year-end 2009, as detailed below.

- 2006: 150,000 shares on approval; an additional 200,000 shares and $100,000 work commitment by year-end.
- 2007: An additional 300,000 shares and an additional $300,000 work commitment by year-end.
- 2008: An additional 400,000 shares and an additional $300,000 work commitment by year-end.
- 2009: An additional $500,000 work commitment by year-end.

The common shares issued to the Issuer will all be subject to a statutory hold period expiring four (4) months and one (1) day from the respective dates of issuance. Wallbridge can increase its interest to 72.5-percent by completing a bankable feasibility study and arranging the financing for the project through to commercial production.

Item 6. Reliance on Section 75(3) of the Act

Not Applicable.

Item 7. Omitted Information

No information has been omitted from this material change report.

Item 8. Senior Officer

The following senior office of the Issuer is knowledgeable about the material change and the Report and may be contacted by the Commission as follows:

Alan L. Shefsky, President and Chief Executive Officer
Telephone: 416-368-7224
Facsimile: 416-368-7230
Internet: www.pelemountain.com

DATED as of July 17, 2006.

PELE MOUNTAIN RESOURCES INC.

"Alan L. Shefsky"
Per: ______________________________
ALAN L. SHEFKSY
President and Chief Executive Officer