

**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

January 31, 2007

Item 3. Press Release

Press release issued by the Issuer on January 31, 2007 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 approval of the Issuer's new stock option plan ("**2007 Plan**").

Item 5. Full Description of Material Change

The Issuer announced today that it has received from the TSX Venture Exchange (the "**TSX-V**"), conditional acceptance of certain amendments to the Company's 2003 stock option plan (the "**Original Plan**"), adopted by the Board of Directors of Pele on January 25, 2007 (such amended plan being referred to herein as, the "**2007 Plan**"). The Original Plan was amended to constitute a pure "rolling" plan, reserving a maximum of 10% of the issued shares to be granted under the 2007 Plan calculated at the time of each stock option grant. Formal TSX-V acceptance of the 2007 Plan is conditional upon, and is pending, majority shareholder ratification of the 2007 Plan. The Company intends to place the 2007 Plan before its shareholders at its upcoming annual and special meeting (the "**Shareholders Meeting**").

Additionally, pursuant to the policies of the TSX-V, the Company announces that it has granted 600,000 incentive stock options to the Company's Chief Executive Officer (the "**Executive Options**") and an aggregate of 500,000 incentive stock options to the remaining five (5) directors of the Company under the 2007 Plan (collectively, the "**Director Options**") to acquire up to an aggregate of 1,100,000 common shares of the Company. The Board of Directors approved the granting of the Executive Options and Director Options subject to disinterested shareholder ratification at the next Shareholders Meeting. All Executive Options and Director Options are exercisable at \$1.10 per share being equal to or greater than the closing price of Pele's common shares on the TSX-V on the date immediately preceding the grant and expire on December 31, 2011. Subject to disinterested shareholder approval, the Executive Options and Director

Options and any common shares issued upon their exercise will be subject to a statutory four-month hold expiring on June 1, 2007.

In addition, the Company also announced that it has granted to an employee of Pele 60,000 incentive stock options (the "**Employee Options**") under Pele's Original Plan to acquire up to an aggregate of 60,000 common shares of Pele. The Employee Options are exercisable at \$1.10 per common share, being equal to or greater than the closing price of Pele's common shares on the TSX-V on the date immediately preceding the grant and expire on December 31, 2011.

The Company also announced that it has granted a consultant of Pele 50,000 incentive stock options (the "**Consultant Options**") under Pele's Original Plan to acquire up to an aggregate of 50,000 common shares of Pele. The Consultant Options are exercisable at \$1.10 per common share, being equal to or greater than the closing price of Pele's common shares on the TSX-V on the date immediately preceding the grant and expire on January 31, 2008.

The Employee Options and Consultant Options and any common shares issued upon their due exercise will be subject to a statutory four-month hold expiring June 1, 2007. The granting of the Employee Options and Consultant Options are subject to regulatory acceptance of applicable filings.

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 officer 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 January 31, 2007.

PELE MOUNTAIN RESOURCES INC.

"Alan L. Shefsky"

Per:

ALAN L. SHEFSKY

President and Chief Executive Officer