

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Pele Mountain Resources Inc. (the "**Issuer**")
2200 Yonge Street
Suite 905
Toronto, ON M4S 2C6

Item 2. Date of Material Change

October 28, 2008

Item 3. News Release

Press release issued by the Issuer on October 28, 2008 via a Canadian news wire service, a copy of which has been filed via SEDAR.

Item 4. Summary of Material Change

The Issuer announced an update on its Eco Ridge Mine uranium project, recapping its progress and announcing measures in response to difficult market conditions.

Item 5. Full Description of Material Change

"The Eco Ridge Mine contains an important strategic energy resource," said the Issuer's President and CEO Al Shefsky. "However, factors affecting the entire industry, particularly a declining uranium price trend and the ongoing crises in the credit and equity markets, have necessitated an adjustment of project timelines, including the postponement of our pre-feasibility study and certain components of the permitting process. These measures will inevitably delay our recently-announced timetable for licensing, construction and commercial production."

In moving forward, the Issuer confirmed that several project elements are continuing according to plan, including the completion of its current in-fill drill program for detailed mine design purposes. Several technical studies already in-progress by SRK Consulting and SNC Lavalin will also be completed. The Issuer also announced it has commenced discussions with potential partners that could assist in funding the re-establishment of pre-feasibility and mine permitting schedules.

Mr. Shefsky added, "We will continue to advance development at Eco Ridge in a prudent fashion commensurate with the approximately \$3.5-million in our treasury. We firmly believe that the long-term fundamentals for uranium are robust and that our project is well-positioned to provide a safe, secure, and reliable supply of uranium to the resurgent nuclear power industry."

With its excellent regional infrastructure, well-understood geology, and politically-stable and mining-friendly jurisdiction, Elliot Lake is an ideal location for the development of a long-term uranium supply. The Issuer's 100-percent owned Eco Ridge property contains a NI 43-101 compliant resource of 6.4 million pounds of "indicated" U_3O_8 (5.68 million tonnes grading 0.051 percent U_3O_8) and 36.1 million pounds of "inferred" U_3O_8 (37.26 tonnes grading 0.044 percent U_3O_8) with the potential for significant expansion. More than 300 million pounds of U_3O_8 were mined from similar deposits near Elliot Lake by Rio Algom and Denison Mines from 1956 to 1996.

The Issuer commenced the permitting process for the Eco Ridge Mine by filing a Project Description (see the Issuer's website at www.pelemountain.net) with the Canadian Nuclear Safety Commission and the Federal Government's Major Project Management Office (see the Issuer's press release dated September 8, 2008). The document details the Issuer's approach to the sustainable development of uranium operations at Eco Ridge. The mining, processing, and waste management plans make innovative use of proven technologies to build a modern, state-of-the-science facility, significantly more advanced and environmentally-friendly than historic operations in the Elliot Lake camp.

The Eco Ridge Mine uranium project has achieved several milestones during the past year, including:

- Submission of a Project Description to regulatory authorities.
- More than 15,000 metres of diamond drilling to upgrade U_3O_8 resources.
- Alternative tailings disposal studies, leading to an innovative closed circuit processing plan.
- Geotechnical and hydrogeological testing of proposed heap leach pad site and processing plant site.
- Preliminary leach pad design and plantsite design by SNC-Lavalin.
- Metallurgical testing on a 200-kilogram sample.
- Detailed variographic analysis of the Main Conglomerate Bed.
- A scoping level hydrogeology study of the proposed mining area.
- Aquatic and terrestrial environmental assessments.
- Continuing productive dialogue and communication with First Nations and the City of Elliot Lake.

Item 6. Reliance on sub-section 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

Item 7. Omitted Information

No information has been omitted from this material change report.

Item 8. Executive 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:

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Item 9. Date of Report

October 28, 2008.