FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

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

Item 2. Date of Material Change

September 30, 2010

Item 3. News Release

Press release issued by Pele on September 30, 2010 via a Canadian news wire service, a copy of which has been filed via SEDAR.

Item 4. Summary of Material Change

Pele announced that it has closed a non-brokered private placement offering (the "**Offering**") for gross proceeds of $2,032,580.

Item 5. Full Description of Material Change

The Offering was comprised of 3,331,700 units (the "**Units**") at a price of $0.16 each for gross proceeds of $533,072, with each Unit consisting of one common share and one common share purchase warrant (a "**Warrant**"), and 8,330,600 flow-through units (the "**FT Units**") at a purchase price of $0.18 per FT Unit for gross proceeds of $1,499,508, with each FT Unit consisting of one common share and one-half of one common share purchase warrant (a "**FT Warrant**"). Each Warrant from the Units is exercisable for one common share of Pele at $0.25 until September 30, 2012, and each FT Warrant from the FT Units is exercisable for one common share of Pele at $0.25 until March 30, 2012.

In connection with the Offering, the Company paid eligible persons (the "**Finders**") a cash fee of 7% of the gross proceeds raised through each Finder under the Offering and also issued compensation warrants equal to 7% of the total number of Units (the "**Compensation Warrants**") or FT Units (the "**FT Compensation Warrants**") issued through each Finder under the Offering. Each Compensation Warrant entitles the holder upon exercise at $0.25 to one common share of Pele until September 30, 2012 and each FT Compensation Warrant entitles the holder upon exercise at $0.25 to one common share of Pele until March 30, 2012. On closing, the Company paid an aggregate amount of $135,362.36 in cash fees to the Finders and issued an aggregate of 569,142 Compensation Warrants and 205,730 FT Compensation Warrants to the Finders.

The securities issued pursuant to the Offering will all be subject to a four (4) month statutory hold commencing from the date of issuance. The Offering is subject to TSX Venture Exchange acceptance of requisite regulatory filings.

All proceeds raised from the sale of FT Units will be used by Pele to finance qualified Canadian exploration and development expenditures on its Canadian resource properties and all proceeds raised from the sale of Units will be used by Pele to finance exploration and development activities and for general working capital purposes.

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 officer of Pele 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

Item 9. Date of Report

October 1, 2010.