

**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**

December 30, 2011

**Item 3. News Release**

Press release issued by Pele on December 30, 2011 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 granted an aggregate of 3,175,000 incentive stock options to members of management, directors, employees and consultants of the Company.

**Item 5. Full Description of Material Change**

Pele has granted 1,825,000 incentive stock options to members of management of the Company (the "**Management Options**"). The Management Options are exercisable at \$0.17 per share and expire on December 31, 2013.

The Company also announced that it has granted an aggregate of 1,000,000 incentive stock options to five (5) directors of the Company (the "**Director Options**") and 175,000 incentive stock options to certain employees of the Company (the "**Employee Options**") to acquire up to an aggregate of 175,000 common shares of Pele. The Director Options and Employee Options are exercisable at \$0.17 per share and expire on December 31, 2014 and December 31, 2013, respectively.

In addition, the Company also announced that it has granted 175,000 incentive stock options to certain consultants of Pele (the "**Consultant Options**") to acquire up to an aggregate of 175,000 common shares of Pele. The Consultant Options are exercisable at \$0.17 per common share and expire on December 31, 2012.

All options granted and any common shares issued upon their due exercise will be subject to a statutory four-month hold period. The granting of the options are subject to regulatory acceptance of applicable filings.

**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

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Facsimile: 416-368-7230

Internet: <http://www.pelemountain.com>

**Item 9. Date of Report**

January 3, 2011.