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

March 6, 2012

Item 3. News Release

Press release issued by Pele on March 6, 2012 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 entered into a binding Purchase and Sale Agreement (the "**Agreement**") to purchase 11 contiguous mining claims (the "**Simon Rare Earth Claims**"), which are surrounded by Molycorp's Mountain Pass rare earth property in south-eastern California.

Item 5. Full Description of Material Change

The seller of the Simon Rare Earth Claims is a company (the "**Seller**") owned by the family of Peter Simon II, the son of the prospector who originally staked much of the Mountain Pass area more than 60 years ago. (Please see attached schedule for satellite photo of Simon Rare Earth Claims).

As the Cold War escalated in the late-1940s, American interest in domestic uranium production surged, initiating a prospecting boom across the western United States. In 1949, Peter "Pop" Simon and his partners discovered intense radioactivity along a vein in Mountain Pass, California, where they located the Birthday claim. The mineralization in the vein turned out to be Bastnasite, a rare earth bearing fluoro-carbonate, prompting the location of many more claims throughout the area.

In 1950, most of the Simon partnership claims in the area were sold to Molybdenum Corporation of America, a.k.a. "Molycorp", which developed the world-class Mountain Pass rare earth deposit. However, Pop Simon retained 11 mining claims, the Simon Rare Earth Claims. These claims have been maintained privately by the Simon family during the past 60 years.

Pele President and CEO Al Shefsky stated, "On closing this transaction, Pele will be strategically positioned in the only two North American mining camps to ever achieve significant commercial rare earth production: Mountain Pass, California and Elliot Lake, Ontario. Both locations have compelling competitive advantages over other emerging rare earth development projects, including extensive existing regional infrastructure and favourable mineralogy, bastnasite at Mountain Pass and monazite at Elliot Lake."

Mr. Shefsky continued, “This acquisition is consistent with our corporate vision at Elliot Lake: to develop safe, secure, reliable, long-term supplies of critical rare earths. We are privileged to work with Peter Simon II and his family and are eager to complete our due diligence and commence our Exploration Program at Mountain Pass. Meanwhile, at Elliot Lake, we remain on track to deliver an updated resource estimate and Preliminary Economic Assessment (“**PEA**”) at our Eco Ridge Mine Rare Earths and Uranium Project by month-end.”

The terms of the Agreement include the following:

1. Pele will issue 4-million common shares to the Seller on closing. The Seller has agreed to a 12-month contractual hold period, reflecting the Simon family’s long term commitment to the advancement of the project.

2. Seller retains a 2-percent production royalty (the “**Production Royalty**”) on all minerals mined on the property, subject to the right of Pele to buy back 1-percent of the Production Royalty for $2-million, escalated annually by a factor equal to the Producer Price Index.

3. Pele must complete a total of $2-million of exploration work on the property within five years beginning with a Phase 1 Exploration Program to be completed within two years of closing of the acquisition. The Phase 1 Exploration Program includes: compilation of historic data, geological mapping, radiometric survey, sampling of pits and trenches, surface sampling, petrological analysis, mineralogical analysis and drill program planning.

4. If Pele sells the Simon Rare Earth Claims to an arm’s length third party, the Seller will receive 10-percent of the proceeds from the sale and a minimum royalty (the “**Minimum Royalty**”) of $12,000 per year will become payable to the Seller, increasing by $12,000 per year until it reaches a maximum of $120,000 per year. The Minimum Royalty shall not apply in the case of an earn-in agreement with a third party while work on the property is advancing.

5. Seller will be granted a security interest in the Simon Rare Earth Claims to secure performance of certain terms in the Agreement.

6. On closing, the Company will issue a total of 200,000 common shares to two arm’s length individuals as a fee for services related to the introduction of Pele to the Seller.

7. The closing of the acquisition remains subject to standard closing conditions including due diligence and regulatory approval of the issuance of the shares.

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
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Item 9. Date of Report

March 6, 2012.