



Pele Mountain Provides Update on Eco Ridge Uranium Resources and Progress at its Energy and Rare Earth Processing Projects

TSX Venture Symbol: **GEM**
Shares Outstanding: 209,996,930

FOR IMMEDIATE RELEASE

January 31, 2017 – Toronto – Pele Mountain Resources Inc. (TSX VENTURE: **GEM**) (“**Pele**” or the “**Company**”) today provided an update on NI 43-101 uranium resources at its 100-percent owned Eco Ridge Project (“**Eco Ridge**”) and on the status of its energy and rare earth processing projects.

Pele President Al Shefsky stated, “Although the uranium price remains too low to support development at our flagship Eco Ridge project, we are encouraged by its recent uptick and the corresponding strong increase in investor interest in uranium exploration and development companies. Pele shares provided outstanding leverage to uranium in past rallies, most notably in 2007 and 2011, because of the extensive uranium resources at Eco Ridge, and we have achieved a major increase and upgrade in uranium resources since that time. The NI 43–101 mineral resources at Eco Ridge continue to provide Pele investors with exposure and leverage to uranium.”

In June 2013, Roscoe Postle Associates reported the following uranium oxide (“**U₃O₈**”) mineral resources for the Main Conglomerate Bed (“**MCB**”) at Eco Ridge, (together with total rare earth oxide resources and U₃O₈ equivalent resources, which can be viewed in [Pele’s press release dated June 10, 2013](#).

Table 1 **Mineral Resource Estimate** – June 2013

Classification	Tonnes	U ₃ O ₈	
	(‘000s)	(%)	(‘000 lbs)
Indicated	22,743	0.045	22,554
Inferred	36,560	0.047	37,623

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated within the Main Conglomerate Bed (MCB) at a cut-off value of \$90 per tonne. Values were calculated based on prices and recoveries of uranium and rare earths, net of rare earth separation costs.
3. Mineral Resources are estimated using an average long-term uranium price of US\$70 per lb U₃O₈, a rare earth “basket price” of \$55 per kg (net of separation charges), and a C\$:US\$ exchange rate of 1.00:1.00.
4. A minimum mining thickness of 1.8 metres was used.

Eco Ridge covers 8600 hectares in Elliot Lake, Ontario, a proven uranium mining camp with historic production exceeding 300-million pounds of U₃O₈ and the only mining camp in Canada to achieve commercial production of rare earth oxides. Elliot Lake has outstanding regional infrastructure including highways, railway, electricity, natural gas, airport, deep-water ports, and a qualified workforce. The

Province of Ontario has already issued three renewable 21-year Mining Leases at Eco Ridge, giving Pele secure land tenure and the exclusive right to mine the resources. The Project enjoys enthusiastic local support.

The uranium resources at Eco Ridge have excellent potential for upgrade and expansion with lower-than normal exploration risk in the historically drilled areas. The uranium bearing reefs of Elliot Lake are well known for their vast size and relative consistency. To-date, infill drilling at Eco Ridge has been 100-percent successful in upgrading Inferred resources to the Indicated category in the MCB. The deposit outcrops for more than 4 kilometers and remains open down dip beyond the historically drilled areas. www.pelemountain.com/pdfs/EcoRidge_Map.pdf

As there is still considerable uncertainty regarding future uranium prices, and given the Company's challenges in advancing Eco Ridge in recent years, Pele is considering opportunities to help move the project forward and unlock its value.

As recent market conditions for uranium and rare earths have not supported the construction of relatively high CAPEX mining and processing projects like Eco Ridge, Pele has expanded its business model to include processing high-grade rare earth bearing monazite to produce rare earths and, more recently, to pursue electricity generation and energy storage projects, all in Elliot Lake.

During the past year, Pele signed a Sustainable Energy Development Agreement with the City of Elliot Lake under which Pele was appointed, on an exclusive basis, as the developer of energy and energy storage projects on City Lands through April 2018. The outstanding infrastructure in Elliot Lake, including natural gas pipelines with excess capacity, provides an opportunity for electricity cost reductions through on-site power generation. The Company is working with industry leading experts to design and develop behind-the-meter combined heat and power generation for certain large consumers of electricity in order to reduce costs, increase reliability and conserve energy supplied by the Provincial power grid.

Mr. Shefsky continued, "With our Eco Ridge Project located in Elliot Lake, launching our new energy venture here makes good business sense for both Pele and the City. Commercial and municipal customers with large heat and power requirements can benefit by locking into long-term, lower-cost electricity and thermal energy at no upfront cost. We would benefit from sources of new, long-term revenue. We are making progress and expect to be able to report on these projects shortly. Furthermore, we see excellent potential to develop energy projects in other municipalities and off-grid industrial and community applications in northern Ontario. We are actively pursuing these opportunities."

Pele also remains committed to advancing Canada's first rare earth processing centre in Elliot Lake to kick-start a relatively low cost, secure and sustainable supply of rare earths by processing imported monazite. Management believes the ongoing risk of supply disruptions, perhaps heightened by the recent American presidential election, continues to be a compelling incentive for the development of new, secure sources of rare earth supply outside of China for western nations and industrial end users.

About Pele

Pele Mountain Resources' extensive NI 43-101 mineral resources at its 100-percent owned Eco Ridge project continue to provide its shareholders with exposure and leverage to uranium and rare earths while the Company is focused on the sustainable development of local power generation and rare earth processing in Elliot Lake.

Eco Ridge has unique characteristics that make it an attractive development site, including excellent regional infrastructure, strong local support, and its strategic location in Elliot Lake, the former “Uranium Mining Capital of the World” and Canada's only historic rare earth mining and processing camp. Pele shares are listed on the TSX Venture Exchange under the symbol "GEM".

For further information please contact Al Shefsky, President, at (800) 315-7353, or visit the Pele website at www.pelemountain.com.

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