



## **Pele Mountain Acquires Property in Thunder Bay Area with High Potential for Nickel-Copper and Platinum Group Elements**

Symbol: **GEM**

Listing: TSX Venture Exchange

Common Shares Outstanding: 101,678,608

### **FOR IMMEDIATE RELEASE**

January 7, 2010 - Toronto - Pele Mountain Resources Inc. (TSX Venture: GEM) ("**Pele**" or the "**Company**") today announced that it has staked more than 1,000 mining claim units totalling approximately 18,750 hectares (more than 70 square-miles) in the Pigeon River area of Northwest Ontario (the "**Pigeon River Property**"), about 80 kilometres to the west of Thunder Bay. The Property, which is owned 100 percent by Pele, covers very large unexplored magnetic targets with potential to host nickel ("Ni"), copper ("Cu"), and platinum group elements ("PGE") mineralization.

Al Shefsky, President and CEO of Pele stated, "We have generated quality projects in Northern Ontario for more than a decade and firmly believe in the soundness of this exploration model. In addition to our vast Eco Ridge Mine uranium project and high-grade gold exploration at our Highland properties, the Pigeon River Property offers excellent potential for Ni/Cu/PGE discoveries and valuable diversification to our portfolio. Through the funding and operation of our very capable exploration partners at Coventry Resources and Wallbridge Mining, our Ardeen Gold and Sudbury Nickel projects, respectively, are also actively advancing."

The Pigeon River Property lies in the Proterozoic Superior Mid Continent Rift, a geological setting with proven potential to host mafic-ultramafic igneous systems associated with the rifting of the Archean cratons. Recent discoveries in this setting include Kennecott's Ni/Cu/PGE deposits at Eagle (in Michigan) and Tamarac (in Minnesota) and Magma Metals' PGE deposit located to the northeast of Thunder Bay. Pele's exploration target at Pigeon River is a massive sulphide deposit similar to the Eagle, Tamarac and Magma deposits, which are magmatic sulphide deposits hosted in an ultramafic body or conduit.

Pele has staked six strong, parallel, linear, magnetic features which may represent mafic/ultramafic conduit systems, possibly feeder dikes to larger mafic/ultramafic intrusions, all of which have apparent embayment features. The magnetic targets are predominantly covered by tills or swamps and no records of previous prospecting, mapping, or geophysical surveys over the Property have been found, other than an airborne magnetic survey flown by the Geological Survey of Canada ("GSC") in 1964. The Pigeon River Property also covers a strong GSC lake sediment anomaly of 234 parts per million (ppm) Ni and 298 ppm Cu, indicating the presence of Ni/Cu mineralization.

The Pigeon River Property consists of two main claim blocks, “West” and “East”. The West block covers three linear, parallel, magnetic anomalies with apparent embayment features, trending east-northeast (030 degrees) over a 12-kilometre strike length. The East block covers three linear, parallel, magnetic trends with two strong parallel anomalies four kilometres apart striking east-northeast (030 degrees) over strike lengths of 7 and 12 kilometres respectively, which also show strong apparent embayment features. The high GSC lake bottom Ni/Cu anomaly is located at the south end of the trend between the two parallel magnetic anomalies.

Pele plans to conduct a Versatile Time-Domain ElectroMagnetic (VTEM) airborne survey over the Pigeon River Property as soon as possible. Results will determine the nature of follow-up exploration including possible additional ground geophysics and drilling.

In conjunction with the staking and planned exploration of the Pigeon River Property, the Company has entered into an agreement (the “Agreement”) with 2212150 Ontario Inc., a private, arm’s length company operating as Vanex Exploration (“Vanex”), pursuant to which Vanex has been granted a 1.5 percent net smelter return in respect of the Property, of which Pele may buy back up to 1 percent for \$1,000,000. Under a consulting agreement, Pele has also retained Vanex for geological consulting services, to be provided by its President, Mr. Wim Vanderkluft, an experienced and highly-regarded expert in Ni/Cu/PGE exploration. In addition to an initial payment of \$25,000, Vanex also received an option, under Pele’s stock option plan to purchase up to 200,000 Pele shares at \$0.205 per share which will be exercisable by Vanex for a period of three (3) years (the “**First Option**”) together with a second option to purchase up to 200,000 Pele shares at \$0.205 exercisable for five (5) years (the “**Second Option**”). The exercise of the Second Option is conditional on independent third party confirmation of a drill intersection of at least 20 metres of core grading at least 2.5 percent nickel on the Property (the “Grading Condition”). In addition, upon satisfaction of the Grading Condition, Vanex shall be paid a one-time bonus of \$50,000.

This news release has been reviewed and approved by Peter Dimmell, P.Geo. (NL, Temp ON), a Pele Director and a Qualified Person under National Instrument 43-101.

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

#### **About Pele**

Pele Mountain Resources is discovering and developing the mineral wealth of Northern Ontario. At its Eco Ridge Mine uranium project, Pele is advancing toward the sustainable development of a safe, secure, and reliable operation near Elliot Lake. At its Highland gold properties, Pele has located several high-grade showings and is working to identify mineable gold resources. The Company also holds the Ardeen Gold and Sudbury Nickel projects, which are actively explored under option agreements with Coventry Resources Ltd. and Wallbridge Mining Company, respectively. Pele’s shares are listed on the TSX Venture Exchange under the symbol “**GEM**”.

**Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.** Some of the statements contained in this release are forward-looking statements, such as estimates and statements that describe Pele’s future plans, objectives or goals, including words to the effect that Pele or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. The economic viability of the 43-101 mineral resource at Pele’s Elliot Lake Project has not yet been demonstrated by a preliminary feasibility study.