



## **Pele Mountain Samples up to 10.67-Percent Total Rare Earth Oxides, Discovers New Mineralized Zones at Mountain Pass**

Trading Symbol: TSX Venture : **GEM**

OTCQX : **GOLDF**

Shares Outstanding: **153,151,246**

### **FOR IMMEDIATE RELEASE**

September 27, 2012 - Toronto - Pele Mountain Resources Inc. (TSX Venture: **GEM**; OTCQX: **GOLDF**) (“**Pele**” or the “**Company**”) announced today that it has sampled up to 10.67-percent total rare earth oxides (“**REO**”) in carbonatite and has discovered new rare earth bearing mineralized zones during an initial sampling program at its Mountain Pass Project in southeastern California. Pele’s Mountain Pass project is along strike and just 1,800 metres southeast of Molycorp’s Mountain Pass Mine, the premier and most-advanced rare earth project in North America. [Click here for a satellite photo of Pele’s Mountain Pass Project.](#)

Pele President and CEO Al Shefsky stated, “We are excited with our initial sampling results, which suggest the potential to outline high grade rare earth resources at Mountain Pass. We are planning a systematic exploration program at Mountain Pass to begin later this fall. Pele is now strategically positioned in the only two North American mining camps to ever achieve significant commercial rare earth production from hard rock mining: Mountain Pass, California and Elliot Lake, Ontario.”

Sixty-five bedrock samples were collected and analyzed by Pele during due diligence site visits earlier this year. Results of the program include the following highlights:

- Samples from the Grey Eagle and Avalanche occurrences returned high-grade rare earth mineralization of up to 10.67-percent total REO. The occurrences vary in width up to about 5 metres and appear to be part of a mineralized carbonatite zone with a potential combined strike length of up to 1,000 metres.
- Samples from outside the defined Grey Eagle and Avalanche occurrences demonstrate that lower-grade REO mineralization continues into the adjacent host rocks suggesting the potential for the overall mineralized zone to be up to tens of metres wide.
- Significant REO mineralization was also discovered on two other claims located to the east of the Avalanche Claim, (the Horn Toad and Helper claims) in grab samples that returned up to 2.4-percent and 0.99-percent total REO respectively. These sample results demonstrate the potential for a more extensive rare earth mineralized system on Pele’s claims at Mountain Pass. [Click here for a claim map of Pele’s Mountain Pass Project.](#)

- Significant concentrations of neodymium, europium and dysprosium oxides are present in the higher-grade samples (up to 19,822 ppm, 708 ppm and 373 ppm respectively). Scandium oxide is also seen in significant quantities in many of the samples ranging up to 100 ppm.

The 15 samples that returned REO values of 1.0-percent or greater are summarized in the table below. ([Click here to view a chart with results from all samples.](#))

### **Pele's initial Mountain Pass Project Sampling Program Highlights**

| <b>Occurrence</b> | <b>Sample #</b> | <b>La<sub>2</sub>O<sub>3</sub><br/>ppm</b> | <b>Ce<sub>2</sub>O<sub>3</sub><br/>ppm</b> | <b>Nd<sub>2</sub>O<sub>3</sub><br/>ppm</b> | <b>Eu<sub>2</sub>O<sub>3</sub><br/>ppm</b> | <b>Dy<sub>2</sub>O<sub>3</sub><br/>ppm</b> | <b>Sc<sub>2</sub>O<sub>3</sub><br/>ppm</b> | <b>Total REO<br/>(%)</b> |
|-------------------|-----------------|--|--|--|--|--|--|--------------------------|
| Grey Eagle        | 1090451         | 5,619                                      | 11,511                                     | 5,632                                      | 205  | 99   | 77   | 2.64                     |
|                   | 1090452         | 5,501                                      | 12,881                                     | 6,891                                      | 371  | 227  | 75   | 3.10                     |
|                   | 1090453         | 4,352                                      | 10,059                                     | 5,387                                      | 281  | 168  | 28   | 2.41                     |
|                   | 1090454         | 25,806                                     | 49,650                                     | 19,356                                     | 631  | 288  | 54   | 10.67                    |
|                   | 1090461         | 13,607                                     | 28,338                                     | 13,059                                     | 501  | 264  | 35   | 6.37                     |
| Avalanche         | 1090458         | 22,991                                     | 44,615                                     | 19,822                                     | 580  | 262  | 97   | 9.90                     |
|                   | 1090459         | 4,364                                      | 8,595                                      | 3,999                                      | 126  | 70   | 54   | 1.95                     |
|                   | 1090470         | 2,827                                      | 5,691                                      | 2,320                                      | 73   | 46   | 37   | 1.24                     |
|                   | 1090471         | 2,780                                      | 6,042                                      | 2,763                                      | 89   | 55   | 74   | 1.34                     |
|                   | 1253156         | 19,941                                     | 39,931                                     | 19,006                                     | 708  | 373  | 100  | 9.13                     |
|                   | 1253204         | 3,308                                      | 7,787                                      | 4,314                                      | 206  | 89   | 25   | 1.85                     |
| Horn Toad         | 1090463         | 2,733                                      | 6,394                                      | 3,335                                      | 174  | 85   | 29   | 1.50                     |
|                   | 1253162         | 4,762                                      | 10,586                                     | 4,757                                      | 237  | 150  | 32   | 2.40                     |
|                   | 1253205         | 3,976                                      | 8,349                                      | 3,755                                      | 189  | 177  | 38   | 1.95                     |
| Helper            | 1253210         | 1,431                                      | 3,443                                      | 2,180                                      | 189  | 193  | 17   | 0.99                     |

All 65 samples were collected by Edward C. Walker, Ph.D., P.Geo., an independent qualified person according NI 43-101. The samples were securely shipped from the property and submitted to Activation Laboratories in Ancaster, Ontario, an ISO 17025 accredited laboratory. Duplicate analysis for 22 samples was completed at ALS Minerals in Reno, Nevada. Correlation between the laboratories is considered excellent, with an average correlation coefficient equalling 0.996 (1.000 would be a perfect correlation).

REO-bearing Bastnasite was discovered at Mountain Pass in 1949 by a team of prospectors that included Peter "Pop" Simon. (Pele recently acquired its Mountain Pass property from the Simon family. See [Pele press release dated September 26, 2012.](#)) Molybdenum Corp of America (which later became known as Molycorp) acquired the majority of the claims surrounding the discovery and began REO production during the 1950s. By 1965, europium oxide from Mountain Pass supplied most global demand for use in color televisions. Mountain Pass supplied much of the world's rare earth needs through the 1980s and into the 1990s, before mining was suspended in 2002 due to poor market conditions. In 2008, Molycorp resumed REO production from stockpiled concentrates while launching Project Phoenix, the massive expansion and modernization effort now underway at its Mountain Pass mine and processing complex.

This press release has been reviewed and approved by Edward C. Walker, Ph.D., P.Geo., an independent Qualified Person as defined by NI 43-101.

**About Pele**

Pele Mountain Resources is exploring and developing rare earth projects in the only two North American mining camps to ever achieve significant commercial rare earth production from hard rock mining: Mountain Pass, California and Elliot Lake, Ontario. Mountain Pass is North America's premier rare earth mining camp and Elliot Lake was once the major source of heavy rare earth, yttrium and uranium production in North America. Both locations offer compelling competitive advantages compared to other emerging rare earth development projects, including extensive existing regional infrastructure, favourable mineralogy and metallurgy, and political stability. Pele's shares are listed on the TSX Venture Exchange under the symbol "GEM" and on the OTCQX under the symbol "GOLDF".

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).

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.