



Drilling Confirms Deposit Extension at Pele Mountain's Eco Ridge Mine Rare Earth and Uranium Project

Trading Symbol: TSX Venture : **GEM**
OTCQX : **GOLDF**
Shares Outstanding: **153,151,246**

FOR IMMEDIATE RELEASE

January 17, 2013 - Toronto - Pele Mountain Resources Inc. (TSX Venture: **GEM**; OTCQX: **GOLDF**) ("**Pele**" or the "**Company**") today announced initial results from the recent drill program at its Eco Ridge Mine Rare Earths and Uranium Project at Elliot Lake, Ontario. Pele has completed a positive Preliminary Economic Assessment ("**PEA**") for Eco Ridge that demonstrates its potential to become a profitable producer of rare earth oxides ("**REO**") and uranium oxide ("**U₃O₈**").

The program included step out drilling to the northwest and west of the existing Resource Wireframe with an objective of adding Inferred Resources. Pele targeted areas where wide-spaced historical drilling successfully intersected the Main Conglomerate Bed ("**MCB**"). Highlights from the first five holes drilled in the Northwest Extension (northwest of the Resource Wireframe) include:

- All five holes intersected the MCB along a strike length exceeding three kilometres;
- Four of the five holes significantly exceeded the average U₃O₈ and average Total REO grade of the Resource Wireframe;
- Hole PM214 returned 0.063-percent U₃O₈ and 2,125 ppm Total REO over a true thickness of 2.99 metres, including 313 ppm neodymium oxide ("**Nd₂O₃**"), 102 ppm yttrium oxide ("**Y₂O₃**"), and 22 ppm dysprosium oxide ("**Dy₂O₃**");
- Hole PM218 returned 0.057-percent U₃O₈ and 1,856 ppm Total REO over a true thickness of 3.43 metres, including 277 ppm Nd₂O₃, 89 ppm Y₂O₃, and 20 ppm Dy₂O₃.

Although Pele was reasonably certain that the MCB was present in the Northwest Extension based on historical drilling, these results exceeded expectations.

Both holes drilled in the West Extension (west of the Resource Wireframe) intersected the MCB, returning typical REO grades over thicknesses below the MCB Resource Wireframe average. The U₃O₈ grade for Hole PM217 was, at 0.08-percent, well above the MCB Resource Wireframe average. Management is encouraged by these results which confirm the deposit continues to the western boundary of the Company's mining leases at Eco Ridge.

[Click here to view a map showing the location of the recent drill holes.](#) Additional results will be announced as they become available.

Pele President and CEO Al Shefsky stated, “These results conclusively demonstrate that the Main Conglomerate Bed continues to the north and west of the current Resource Wireframe, which can potentially add significant resources and years of mine-life to the project. We are particularly pleased to see higher-than-average grades of U₃O₈ and Heavy REO in the Northwest Extension.”

Drilling Highlights from Northwest Extension

Hole ID	From (m)	True Width (m)	Total REO (ppm)	Light REO (ppm)	Heavy REO (ppm)	U ₃ O ₈ (%)
PM214	530.1	2.99	2,125	1,878	247	0.063
PM216	600.8	2.76	1,887	1,668	219	0.055
PM218	537.2	3.43	1,856	1,635	221	0.057
PM219	589.5	2.73	1,440	1,252	188	0.045
PM220	494.5	2.19	2,065	1,808	257	0.063

Assay results for Critical Rare Earths (from Northwest Extension)

Hole ID	Nd ₂ O ₃ (ppm)	Eu ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)	Dy ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)
PM214	313	2.5	4.6	22	102
PM216	258	2.4	4.1	19	90
PM218	277	2.6	4.2	20	89
PM219	208	2.1	3.5	17	76
PM220	296	3.0	5.0	23	105

Drilling Highlights from West Extension

Hole ID	From (m)	True Width (m)	Total REO (ppm)	Light REO (ppm)	Heavy REO (ppm)	U ₃ O ₈ (%)
PM215	179.3	2.35	1,484	1,327	157	0.024
PM217	82.8	1.84	1,534	1,368	167	0.080

Assay results for Critical Rare Earths (from West Extension)

Hole ID	Nd ₂ O ₃ (ppm)	Eu ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)	Dy ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)
PM215	218	2.0	2.8	13	60
PM217	224	2.0	3.1	14	66

Mineral resources for the MCB at Eco Ridge were estimated by Roscoe Postle Associates (as of April 16, 2012), as summarized in the table below.

Mineral Resource Estimate for Main Conglomerate bed at Eco Ridge

Zone & Classification	Tonnes ('000s)	U₃O₈ (%)	U₃O₈ ('000 lbs)	LREO⁶ (ppm)	HREO⁷ (ppm)	TREO (ppm)	TREO ('000 lbs)
Indicated							
MCB	20,514	0.045	20,447	1,426	193	1,618	73,184
Inferred							
MCB	16,906	0.043	15,940	1,279	183	1,463	54,515

Notes:

1. CIM definitions were followed for Mineral Resources.
2. The Qualified Person for this Mineral Resource estimate is Tudorel Ciuculescu, P.Geo.
3. Mineral Resources are estimated at a cut-off value of \$100 per tonne for the MCB. Values were calculated based on prices and recoveries of uranium and rare earths, net of off-site rare earth separation costs.
4. Mineral Resources are estimated using an average long-term uranium price of US\$70 per lb U₃O₈, a rare earth "basket price" of \$78 per kg (net of separation charges), and a C\$:US\$ exchange rate of 1.00:1.00.
5. A minimum mining thickness of 1.8 metres was used.
6. Light Rare Earth Oxides include La₂O₃, CeO₂, Pr₆O₁₁, and Nd₂O₃.
7. Heavy Rare Earth Oxides include Sm₂O₃, Eu₂O₃, Gd₂O₃, Tb₄O₇, Dy₂O₃, Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃, Y₂O₃, and Lu₂O₃. Sc₂O₃ is also included in HREO, as it occurs in low concentrations and carries high unit values like an HREO.

The mineral resources at Eco Ridge have excellent potential for upgrade and expansion with lower-than-normal exploration risk in the historically drilled areas, as demonstrated by the results announced today. The deposit remains open and there is excellent potential to add new resources in other historically drilled areas of the property. The mineralized reefs of Elliot Lake are well known for their vast size and 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 geological information in 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 focused on the sustainable development of its 100-percent owned Eco Ridge Mine Rare Earths and Uranium Project. Eco Ridge is located in Elliot Lake, the only Canadian mining camp to have ever achieved commercial rare earth production. Elliot Lake was once the major source of heavy rare earth, yttrium and uranium production in North America. With well-understood geology, mineralogy, and metallurgy, excellent regional infrastructure, and strong local support, Eco Ridge is an ideal location for the development of a safe, secure, and reliable long-term supply of critical rare earths and uranium. 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.

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.