



Pele Mountain Intersects Higher-Grade Uranium & Rare Earths; Discovers Wide Mineralized Zone in Step-Out Drilling at Eco Ridge

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

FOR IMMEDIATE RELEASE

January 29, 2013 - Toronto - Pele Mountain Resources Inc. (TSX Venture: **GEM**; OTCQX: **GOLDF**) (“**Pele**” or the “**Company**”) today announced additional results from the recent 13-hole drill program at its Eco Ridge Mine Rare Earths and Uranium Project at Elliot Lake, Ontario. Pele announced the initial results of the first seven holes of this program on [January 17, 2013](#). 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. Pele targeted areas where wide-spaced historical drilling successfully intersected the Main Conglomerate Bed (“**MCB**”). Highlights from the Northwest Extension (northwest of the resource wireframe), include:

- all eleven holes intersected the MCB along a strike length exceeding three kilometres;
- nine of the eleven holes significantly exceeded the average U₃O₈ grade, and nine of the eleven holes significantly exceeded the total REO grade, of the resource wireframe;
- hole PM227 returned 0.069-percent U₃O₈ and 2,065 ppm total REO over a true thickness of 3.44 metres, including 299 ppm neodymium oxide (“**Nd₂O₃**”), 100 ppm yttrium oxide (“**Y₂O₃**”), and 22 ppm dysprosium oxide (“**Dy₂O₃**”); and
- hole PM222 returned 0.057-percent U₃O₈ and 1,949 ppm total REO over a true thickness of 3.71 metres, including 279 ppm Nd₂O₃, 94 ppm Y₂O₃, and 20 ppm Dy₂O₃.

Eight of the eleven holes drilled in the Northwest Extension also intersected significantly mineralized pyritic bands within the Stinson member, roughly 150 metres above the MCB. The Stinson member and the Ryan member (which hosts the MCB) are part of the Matinenda Formation, the lower part of the Huronian sequence, known to host the U-REE uranium deposits in the Elliot Lake area. Highlights from Stinson member intersections include:

- the significantly mineralized zones ranged from 4.79 to 27.97 metres in true thickness, much wider than the MCB average true thickness of 2.76 metres within the resource wireframe. Assay results returned U₃O₈ grades nearly half, and total REO grades nearly two-thirds, of the average MCB grades within the resource wireframe;

- hole PM222 returned 0.020-percent U_3O_8 and 1,045 ppm total REO over a true thickness of 27.97 metres, including 150 ppm Nd_2O_3 , 49 ppm Y_2O_3 , and 10 ppm Dy_2O_3 ; and
- several intersections contained elevated levels of barium oxide (BaO), with Hole PM222 returning 2.69-percent BaO over a true thickness of 14.48 metres.

Pele President and CEO Al Shefsky stated, “These results continue to exceed expectations and have the potential to add substantial resources and years of mine-life to the project. The MCB clearly continues to the northwest and the mineralized intersections appear to be increasing in thickness and grade to the northwest, as depth increases. We are also greatly encouraged and intrigued by the discovery of much thicker zones of mineralization in the Stinson member. With true thicknesses up to nearly 28 metres, this new discovery represents an exciting new exploration opportunity for the project.”

[Click here to view a map showing the location of the recent drill holes.](#)

MCB - Drilling Highlights from Northwest Extension

Hole ID	From (m)	True Width (m)	Total REO (ppm)	Light REO (ppm)	Heavy REO (ppm)	U_3O_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**	589.2	3.05	1,390	1,205	184	0.048
PM220**	494.5	2.19	2,065	1,808	257	0.069
PM221	586.0	3.11	1,481	1,306	175	0.042
PM222	614.1	3.71	1,949	1,720	229	0.057
PM223	629.5	3.09	1,897	1,670	227	0.064
PM225	559.0	2.64	1,574	1,359	214	0.071
PM226	413.1	2.82	2,005	1,786	219	0.045
PM227	420.1	3.44	2,065	1,815	250	0.069

* Previously reported in Pele’s press release dated January 17, 2013.

** Updated from previously reported results.

PM224 was abandoned in overburden and moved to a different location.

PM215 and PM217 are not part of the Northwest Extension drilling and reported in the table titled West Extension.

MCB - Assay Results for Critical Rare Earths (from Northwest Extension)

Hole ID	Nd_2O_3 (ppm)	Eu_2O_3 (ppm)	Tb_4O_7 (ppm)	Dy_2O_3 (ppm)	Y_2O_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**	201	2.1	3.5	16	75
PM220*	296	3.0	5.0	23	105
PM221	219	1.8	3.2	16	72
PM222	279	2.5	4.2	20	94
PM223	279	2.5	4.2	20	91
PM225	238	2.1	3.9	19	88
PM226	286	2.5	4.0	18	87
PM227	299	2.9	4.7	22	100

* Previously reported in Pele's press release dated January 17, 2013.

** Updated from previously reported results.

Stinson Member - 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 (%)
PM218	367.1	10.61	996	884	111	0.019
PM220	314.8	5.88	933	828	105	0.002
PM221	416.6	7.86	816	722	93	0.017
	434.2	6.28	1,135	1,013	121	0.019
PM222	443.6	27.97	1,045	927	118	0.020
PM223	475.7	4.90	748	661	87	0.015
PM225	401.7	5.97	1,447	1,297	150	0.024
PM226	258.5	4.79	764	673	91	0.018
PM227	263.3	5.45	961	856	105	0.018

Stinson Member - 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)
PM218	146	1.6	2.1	10	43
PM220	135	1.5	2.0	9	43
PM221	118	1.0	1.7	8	39
	165	1.6	2.2	10	49
PM222	150	1.3	2.2	10	49
PM223	106	1.2	1.5	7	35
PM225	206	1.8	2.7	13	60
PM226	107	1.3	1.6	7	37

PM227	134	1.4	1.9	9	43
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Drill results for the MCB from the two holes completed in the West Extension (west of the resource wireframe near the western property boundary) were reported previously in Pele's press release dated January 17, 2013. The tables below contain updates to those results.

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**	179.6	2.35	1,579	1,412	167	0.023
PM217**	82.8	2.29	1,476	1,313	163	0.023

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**	232	2.1	3.0	14	63
PM217**	213	2.0	3.0	14	65

** Updated from previously reported results.

To view the 43-101 Resources at Eco Ridge please visit http://www.pelemountain.com/pdfs/PEA_Restable.pdf

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 down dip 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.