



Pele Mountain Announces Reactivation of Festival Project Joint Venture near Wawa, Ontario

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

FOR IMMEDIATE RELEASE

May 28, 2013 - Toronto - Pele Mountain Resources Inc. (TSX Venture: **GEM**; OTCQX: **GOLDF**) (“**Pele**” or the “**Company**”) announced today that the Festival Project joint venture with Goldcorp Inc. (TSX:**G**; NYSE:**GG**) has been reactivated. The joint venture will begin an exploration program this summer with Goldcorp as the project operator.

In 2004, Goldcorp and Pele began exploring north of Wawa on the 101 square kilometre Festival Project, where commercial size, gem quality diamonds were discovered in large Archean age deposits.

The new Licensed Area covers a total of 52 square-kilometres, including the southern portion of the original Festival Project and the northern portion of the neighbouring property formerly held by Band Ore Resources. The new Licensed Area now straddles the interpreted western extension of the Goudreau-Localsh Deformation Zone (“**GLDZ**”), host to Richmond’s Island Gold Mine as well as several past-producing gold mines including Argonaut’s Magino Mine.

Pele President and CEO Al Shefsky stated, “While we remain squarely focused on the development of our 100-percent owned Eco Ridge Mine Rare Earth and Uranium Project, we are excited to participate in exploration with Goldcorp, Canada’s pre-eminent gold mining company. The Michipicoten Greenstone Belt has a rich production history and is again emerging as an important Canadian gold district. Our interest in Festival provides Pele with the potential for discovery at virtually no cost to the Company.”

The Festival Project is owned by Pele Mountain and Goldcorp under a joint venture that was entered into in 2006 with each company owning 50-percent. Recent spending has been funded primarily by Goldcorp, with Pele electing not to contribute its pro rata share. Accordingly, Goldcorp’s interest will increase to approximately 51-percent of the joint venture and Pele will own approximately 49-percent. Any new work on the property will impact the relative percentage ownership of each party in the joint venture.

The term of the License is for five years commencing on January 1, 2013 and may be extended for an additional 5-year term. All minerals produced and marketed from the Licensed Area are subject to a 3% royalty payable to the Licensor.

About Pele

Pele Mountain Resources is focused on the sustainable development of its 100-percent owned Eco Ridge Mine Rare Earth 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 and mineralogy, 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 uranium, critical rare earths and scandium. 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.