

## **Pele Mountain Announces Major Increase in Uranium and Rare Earth Resources at Eco Ridge**

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

### **FOR IMMEDIATE RELEASE**

June 10, 2013 - Toronto - Pele Mountain Resources Inc. (TSX Venture: **GEM**; OTCQX: **GOLDF**) (“**Pele**” or the “**Company**”) today announced an updated NI 43-101 Resource Estimate (the “**Resource Estimate**”) for its Eco Ridge Mine Project in 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 (“**U<sub>3</sub>O<sub>8</sub>**”).

Highlights of the updated Resource Estimate include:

- A 116-percent increase to Inferred Resource tonnage to 36.56-million tonnes at an increased average grade of 0.047-percent U<sub>3</sub>O<sub>8</sub> and 1,554 ppm Total REO. This includes a 136-percent increase in U<sub>3</sub>O<sub>8</sub> to 37.62-million pounds and a 130-percent increase in Total REO to 125.25-million pounds.
- An 11-percent increase to Indicated Resource tonnage to 22.74-million tonnes at an average grade of 0.045-percent U<sub>3</sub>O<sub>8</sub> and 1,606 ppm Total REO. This includes a 10-percent increase in U<sub>3</sub>O<sub>8</sub> to 22.55-million pounds and a 10-percent increase in Total REO to 80.51-million pounds.
- Expanded higher-grade zones identified for production early in the mine life, which can positively impact project economics.
- Substantial increases in critical REO resources including neodymium, dysprosium, yttrium, terbium and europium oxides as well as in scandium oxide resources.

Pele President and CEO Al Shefsky stated, “Our recent drilling conclusively demonstrated the down dip continuity of the Eco Ridge deposit and has led to a major increase in NI 43-101 uranium and rare earth resources at the project. The new and expanded Resource Estimate marks another important milestone on the pathway to production at Eco Ridge, as we prepare to transition the project into the licensing and feasibility process. The increase in resources also boosts our shareholders’ exposure to uranium, critical rare earths, and scandium. Recent [research from JP Morgan](#) forecasts an increase in the U<sub>3</sub>O<sub>8</sub> price to \$90 per pound in 2016, more than double the current spot price. Pele shares have historically provided excellent [leverage](#) to sizeable increases in the uranium price.”

Roscoe Postle Associates (“RPA”) reports the following mineral resources for the Main Conglomerate Bed (“MCB”) at Eco Ridge:

**Table 1 – Mineral Resource Estimate – June 2013**

Classification	Tonnes	U <sub>3</sub> O <sub>8</sub>		Total REO		U <sub>3</sub> O <sub>8</sub> Equivalent	
	(‘000s)	(%)	(‘000 lbs)	(ppm)	(‘000 lbs)	(%)	(‘000 lbs)
Indicated	22,743	0.045	22,554	1,606	80,510	0.099	49,827
Inferred	36,560	0.047	37,623	1,554	125,248	0.102	81,842

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated within the Main Conglomerate Bed (MCB) at a cut-off value of \$90 per tonne. Values were calculated based on prices and recoveries of uranium and rare earths, net of rare earth separation costs.
3. Mineral Resources are estimated using an average long-term uranium price of US\$70 per lb U<sub>3</sub>O<sub>8</sub>, a rare earth “basket price” of \$55 per kg (net of separation charges), and a C\$:US\$ exchange rate of 1.00:1.00.
4. U<sub>3</sub>O<sub>8</sub> Equivalents are calculated by converting rare earths values (net of prices, recoveries, and separation charges) to uranium values.
5. A minimum mining thickness of 1.8 metres was used.
6. Total Rare Earth Oxides include light oxides La<sub>2</sub>O<sub>3</sub>, CeO<sub>2</sub>, Pr<sub>6</sub>O<sub>11</sub>, and Nd<sub>2</sub>O<sub>3</sub>, and heavy oxides Sm<sub>2</sub>O<sub>3</sub>, Eu<sub>2</sub>O<sub>3</sub>, Gd<sub>2</sub>O<sub>3</sub>, Tb<sub>4</sub>O<sub>7</sub>, Dy<sub>2</sub>O<sub>3</sub>, Ho<sub>2</sub>O<sub>3</sub>, Er<sub>2</sub>O<sub>3</sub>, Tm<sub>2</sub>O<sub>3</sub>, Yb<sub>2</sub>O<sub>3</sub>, Y<sub>2</sub>O<sub>3</sub>, and Lu<sub>2</sub>O<sub>3</sub>. Sc<sub>2</sub>O<sub>3</sub> is also included, as it occurs in low concentrations and carries high unit values like a heavy rare earth oxide.

[Click here for a mineral resource table listing grade and quantity of each individual rare earth oxide.](#)

REO price assumptions for the Resource Estimate were reduced from a basket price of \$78 per tonne previously used in the PEA, to a revised basket price of \$55 per tonne (both net of separation charges). With uranium maintained at a relatively conservative \$70 per lb., the combined uranium and rare earth resources have a uranium equivalent grade of 0.1-percent U<sub>3</sub>O<sub>8</sub>, which is comparable to the average grade mined during four decades of productive operations in Elliot Lake and exceeds the grade of several currently producing uranium mines and several major uranium development projects in the world today.

RPA also outlined two higher grade zones within the MCB that come up to the surface allowing for higher grade production in the early years of the mine life that can facilitate accelerated repayment of project start-up capital along with improved project economics compared to the PEA, (all other things being equal). ([click here for a map of the higher grade resources](#))

RPA reports the following mineral resources for the higher grade zones in the MCB at Eco Ridge:

**Table 3 - High-Grade Area Mineral Resources – June 2013**

Classification	Tonnes	U <sub>3</sub> O <sub>8</sub>		Total REO		U <sub>3</sub> O <sub>8</sub> Equivalent	
	(‘000s)	(%)	(‘000 lbs)	(ppm)	(‘000 lbs)	(%)	(‘000 lbs)
Indicated	8,639	0.055	10,417	1,852	35,279	0.117	22,235
Inferred	20,866	0.053	24,236	1,715	78,903	0.111	51,260

Notes:

1. CIM definitions were followed for Mineral Resources.
2. This subset of Mineral Resources was estimated within a portion of the Main Conglomerate Bed (MCB) at a cut-off value of \$90 per tonne. Values were calculated based on prices and recoveries of uranium and rare earths, net of rare earth separation costs.
3. Mineral Resources are estimated using an average long-term uranium price of US\$70 per lb U<sub>3</sub>O<sub>8</sub>, a rare earth “basket price” of \$55 per kg (net of separation charges), and a C\$:US\$ exchange rate of 1.00:1.00.
4. U<sub>3</sub>O<sub>8</sub> Equivalents are calculated by converting rare earths values (net of prices, recoveries, and separation charges) to uranium values.
5. A minimum mining thickness of 1.8 metres was used.
6. Total Rare Earth Oxides include light oxides La<sub>2</sub>O<sub>3</sub>, CeO<sub>2</sub>, Pr<sub>6</sub>O<sub>11</sub>, and Nd<sub>2</sub>O<sub>3</sub>, and heavy oxides Sm<sub>2</sub>O<sub>3</sub>, Eu<sub>2</sub>O<sub>3</sub>, Gd<sub>2</sub>O<sub>3</sub>, Tb<sub>4</sub>O<sub>7</sub>, Dy<sub>2</sub>O<sub>3</sub>, Ho<sub>2</sub>O<sub>3</sub>, Er<sub>2</sub>O<sub>3</sub>, Tm<sub>2</sub>O<sub>3</sub>, Yb<sub>2</sub>O<sub>3</sub>, Y<sub>2</sub>O<sub>3</sub>, and Lu<sub>2</sub>O<sub>3</sub>. Sc<sub>2</sub>O<sub>3</sub> is also included, as it occurs in low concentrations and carries high unit values like a heavy rare earth oxide.

[Click here for a mineral resource table listing grade and quantity of each individual rare earth oxide in the higher grade zones.](#)

The Resource Wireframe (“**Resource Wireframe**”), which contains both Indicated and Inferred U<sub>3</sub>O<sub>8</sub> and REO resources within the near surface portion of the MCB, increased by nearly 59-percent from 37.4-million to 59.3-million tonnes. The mineral resources at Eco Ridge continue to have excellent potential for expansion with lower-than-normal exploration risk in the historically drilled areas outside of the resource wireframe. To-date, infill drilling at Eco Ridge has been 100-percent successful in upgrading Inferred resources to the Indicated category in the MCB.

The hanging wall mineralization along with two small lower-grade areas contained in the previous Resource Wireframe were removed from the Resource Estimate in order to focus on the higher-grade areas in the MCB. The hanging wall mineralization remains a potential opportunity for future resources and increased mine life.

Elliot Lake is the only mining camp in Canada to have achieved commercial production of REO and was historically the most important source of heavy REO in North America. From 1956 to 1996, Rio Algom and Denison Mines produced more than 300 million pounds of U<sub>3</sub>O<sub>8</sub>, along with significant quantities of yttrium and Heavy REO, from Elliot Lake deposits similar to the MCB at Eco Ridge.

Pele Mountain is a leader in the race to develop critical rare earths outside of China. Eco Ridge has competitive advantages that may enable its development ahead of other rare earth projects. It is located in Elliot Lake, a proven mining camp featuring outstanding regional infrastructure and enthusiastic local support. Its geology and mineralogy are well-understood and it has very large, expandable, upgradeable NI 43-101 resources containing a strategically significant mix of critical rare earths forecast to remain in supply deficit. The project is being advanced by a world-class development team led by Pele’s Executive Vice President, Roger Payne P. Eng., former General Manager for Rio Algom in Elliot Lake, and includes RPA, SNC-Lavalin Inc., SENES Consultants Limited, and Golder Associates Ltd., which have extensive experience in licensing, operating and decommissioning mines in Elliot Lake.

The Resource Estimate supersedes the previous resource estimate contained in the 2012 PEA. Both the PEA and the updated Resource Estimate announced today were authored by RPA. The technical information relating to the Resource Estimate in this press release has been reviewed and approved by Tudorel Ciuculescu, P.Ge of RPA, an independent Qualified Person under NI 43-101.

### **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 former “uranium mining capital of the world” and the only Canadian mining camp to have ever achieved commercial rare earth production. Elliot Lake was historically the major source of heavy rare earth 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](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 pre-feasibility study.