



## Pele Mountain Announces Closing of First Tranche of Private Placement Offering

Trading Symbol: TSX Venture : **GEM**  
OTCQX : **GOLDF**  
Shares Outstanding: **172,423,598**

### FOR IMMEDIATE RELEASE

May 1, 2014 - Toronto - **Pele Mountain Resources Inc. (TSX Venture: GEM)** (“**Pele**” or the “**Company**”) is pleased to announce that it has closed the first tranche of a non-brokered private placement offering (the “**Offering**”) comprised of 2,334,838 flow-through units (the “**FT Units**”) at a purchase price of \$0.07 per FT Unit for aggregate gross proceeds of \$163,438.66 and 4,559,562 units (the “**Units**”) at a price of \$0.06 each for aggregate gross proceeds of \$273,573.72. The total amount raised under the first tranche of the Offering was \$437,012.38. Each FT Unit consists of one common share and one-half of one common share purchase warrant (a “**FT Warrant**”), with each whole FT Warrant exercisable to acquire one common share of Pele at \$0.12 until May 1, 2015. Each Unit consists of one common share and one-half of one common share purchase warrant (a “**Warrant**”), with each Warrant exercisable to acquire one common share of Pele at \$0.12 until November 1, 2015.

In connection with the Offering, the Company paid eligible persons (the “**Finders**”) a cash fee of 7% of the gross proceeds raised through each Finder under the Offering and also issued compensation warrants equal to 7% of the total number of Units or FT Units (“**Compensation Warrants**”) issued through each Finder under the Offering. Each Compensation Warrant entitles the holder upon exercise to acquire one common share of Pele at \$0.07 until May 1, 2015. On closing, the Company paid \$7,245 in cash fees to the Finders and issued 117,250 Compensation Warrants to the Finders.

Certain directors and officers (the “**Purchasing Directors**”), purchased an aggregate of 28.7% of the securities issued pursuant to the Offering and declared a conflict and recused themselves from voting on the Offering. There was no materially contrary view or abstention by any director approving the Offering.

Pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), the purchase by the Purchasing Directors was a “related party transaction” but the Corporation was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Offering.

The securities issued pursuant to the Offering will all be subject to a four (4) month statutory hold period commencing from the date of issuance. The Offering is subject to TSX Venture Exchange acceptance of requisite regulatory filings.

All proceeds raised from the sale of FT Units will be used by Pele to finance qualified Canadian exploration expenditures on its Canadian resource properties and all proceeds raised from the sale of Units will be used by Pele for general working capital purposes.

**About Pele**

Pele is focused on the sustainable development of its 100-percent owned Eco Ridge Mine project, located in Elliot Lake, Ontario, the only Canadian mining camp to ever achieve commercial rare earth production. 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 supply of critical rare earths and uranium. Pele also owns strategic mining claims containing high grade rare earth mineralization at Mountain Pass, California, just 1800 metres from Molycorp's open pit mine. 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.*