



Pele Mountain Advances Monazite Recycling Strategy to Kick-Start a Rare Earth Supply Chain in Elliot Lake, Ontario

Trading Symbol: TSX Venture : **GEM**
OTCQX : **GOLDF**
Shares Outstanding: **178,961,549**

FOR IMMEDIATE RELEASE

February 17, 2015 - Toronto – Pele Mountain Resources Inc. (TSX VENTURE: **GEM**) (OTCQX: **GOLDF**) ("**Pele**" or the "**Company**") announced today that it is advancing its monazite recycling strategy to kick-start the sustainable development of a low cost, early-to-market, Canadian-based rare earth supply chain in Elliot Lake, Ontario.

Pele plans to source monazite from mineral sands mine tailings in countries that embrace sustainable mining practices and are allied trading partners with Canada. Pele's objective is to recycle the monazite to produce mixed rare earth concentrates that will be separated into high-purity, individual rare earth oxides that can be used in downstream value added processing and manufacturing. Pele's monazite recycling strategy is predicated on collaboration and cooperation with industry leaders in the rare earth supply chain, all levels of government, local First Nations, and academia.

Pele President Al Shefsky stated, "Our monazite recycling strategy represents a transition, not into an entirely new field but rather in pursuit of our same goal by different means. Despite increasing demand for certain rare earths and billions of dollars invested to develop mining operations and processing facilities, we are not aware of any new hard-rock rare earth mines outside of China that have achieved profitable production, due to high capital costs and technical challenges associated with new process development and operation. Monazite processing has a proven track record for reliable production of rare earths and represents a compelling opportunity to address the perceived risk of supply disruptions looming over supply chains outside of China."

For almost a decade, Pele has advanced its flagship Eco Ridge Mine Rare Earth and Uranium Project ("**Eco Ridge**") in Elliot Lake. However, market conditions have not supported the development and construction of relatively high CAPEX hard-rock mining projects, such as those proposed by Canada's aspiring rare earth developers, including Pele. The decline in rare earth and uranium prices since 2011, along with the bear market in resource stocks, also contributed to Pele's strategic pivot toward monazite recycling.

In today's market, Pele's monazite recycling strategy offers significant benefits over the development of hard-rock rare earth mining and processing including:

- The very high rare earth grades in monazite allow for substantial production, especially the critical magnet materials Neodymium and Praseodymium, from relatively low tonnage.
- Low tonnage processing allows for sharply lower CAPEX and OPEX than large-scale mining and processing operations.

- The metallurgical techniques for processing monazite are well-established, allowing for reduced technical risk and reduced ramp up times.

As Canada's only proven historic critical rare earth mining camp, Elliot Lake offers many competitive advantages as the hub of an early-to-market rare earth supply chain. Elliot Lake has outstanding regional infrastructure including highways, railway, electricity, natural gas, airport, deep-water ports, and a qualified workforce. The region hosts extensive undeveloped rare earth and uranium resources, such as those at Eco Ridge. The Mayor and Council of the City of Elliot Lake unanimously approved the issuance of a [Letter of Support](#) for the sustainable development of a rare earth supply at Eco Ridge (please see [Pele's press release dated December 2, 2014](#))

Mr. Shefsky concluded, "We are finally seeing signs that rare earth and uranium prices are beginning to increase after protracted downturns. Advancing our monazite recycling strategy has us well-positioned to lead the present-day race to production of critical rare earths outside of China and, ultimately, can support the development of our extensive resources at Eco Ridge as market conditions improve."

About Pele

Pele Mountain Resources is focused on the sustainable development of a low cost, early to market, critical rare earth supply chain by recycling high-grade rare earth bearing monazite in Elliot Lake, Ontario, at the same location as its Eco Ridge Mine Rare Earth and Uranium Project. Recycling monazite presents a relatively low CAPEX approach to producing critical rare earths and, ultimately, supporting the development of Eco Ridge. Pele is engaged with industry leaders in the rare earth supply chain government, First Nations and local communities to reach this objective.

With excellent regional infrastructure and strong local support, Elliot Lake is an ideal location for production of a safe, secure, and reliable supply of critical rare earths and uranium. Extensive NI 43-101 resources at Eco Ridge continue to provide Pele shareholders with exposure and leverage to rare earth and uranium prices. Pele 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.

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