



Pele Mountain Provides an Update on its Eco Ridge Monazite Processing Project

Trading Symbol: TSX Venture : **GEM**
OTCQX : **GOLDF**
Shares Outstanding: 188,873,749

FOR IMMEDIATE RELEASE

October 1, 2015 - Toronto – Pele Mountain Resources Inc. (TSX VENTURE: **GEM**) (OTCQX: **GOLDF**) ("**Pele**" or the "**Company**") today provided an update on its Eco Ridge Monazite Processing Project in Elliot Lake, Ontario.

On March 28, 2015, Pele signed a Memorandum of Understanding ("**MOU**") with Sheng Kang Ning (Shanghai) Mining Investment Co. Ltd., ("**SKN**"), a subsidiary of Shenghe Resources Holding Co. Ltd. (SH 600392) to work together exclusively toward negotiating a definitive Joint Venture agreement (the "**JV**") for the development of rare earth processing facilities in Elliot Lake. Under terms of the MOU, SKN would design, build, and operate the new facilities for the JV.

Among the necessary pre-conditions for the formation of the JV was receipt of Chinese government approval for SKN to use its proprietary separation technology in Elliot Lake. Although SKN has worked diligently to secure such approval, there remains no timely pathway for its receipt. Since the definitive JV has not yet been formed, the MOU expired automatically on September 30, 2015, pursuant to its terms.

Pele President Al Shefsky stated, "We wish to thank our friends and colleagues at SKN for their work with Pele over the last several months."

Notwithstanding the expiration of the MOU, Pele is continuing to explore opportunities to co-operate with SKN on a non-exclusive basis, and will also now begin engaging in discussions with other interested parties who possess the financial and technical capabilities to develop rare earth processing facilities.

Pele continues to actively advance its monazite processing project. In recent months, Pele has identified and engaged multiple potential monazite suppliers regarding long term off-take arrangements, arranged transportation logistics for the importation of monazite, commenced preparing an economic model based on metallurgical test work, and initiated discussions with government entities regarding the various regulatory requirements for monazite transportation and facilities development.

Mr. Shefsky continued, "Profound market-related and technical challenges have created a formidable impediment to the development of new hard rock rare earth mines and highlight the need for a lower cost and lower risk approach to rare earth production. Under current circumstances, monazite processing presents a compelling opportunity to achieve timely, low cost, rare earth production in Canada. We continue to confidently advance our vision of a rare earth processing centre in Elliot Lake in cooperation with qualified partners."

About Pele

Pele Mountain Resources is focused on the sustainable development of a rare earth processing center in Elliot Lake, Ontario, at the same location as its Eco Ridge Mine Rare Earth and Uranium Project. 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. 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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