



Pele Mountain Announces Closing of Private Placement

Trading Symbol: TSX Venture : **GEM**
OTCQX : **GOLDF**
Shares Outstanding: 206,611,929

FOR IMMEDIATE RELEASE

February 5, 2016 - Toronto - **Pele Mountain Resources Inc. (TSX Venture: GEM; OTCQX: GOLDF)** ("**Pele**" or the "**Company**") announced that it has closed a non-brokered private placement offering (the "**Offering**") comprised of 4,155,000 flow-through units (the "**FT Units**") at a purchase price of \$0.05 per FT Unit for aggregate gross proceeds of \$207,750 and 6,049,000 units (the "**Units**") at a price of \$0.05 each for aggregate gross proceeds of \$302,450. The total amount raised under the Offering was \$510,200.

Each FT Unit consists of one common share and one common share purchase warrant (a "**FT Warrant**"), with each FT Warrant exercisable to acquire one common share of Pele at \$0.07 for a period of 18 months from the date of issuance. Each Unit consists of one common share and one common share purchase warrant (a "**Warrant**"), with each Warrant exercisable to acquire one common share of Pele at \$0.05 for a period of 36 months from the date of issuance.

Three directors of the Company participated in the Offering, either directly or through related companies, and purchased an aggregate of \$255,200 of the securities issued pursuant to the Offering. The applicable participating directors 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 certain of the participating 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.

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 ("**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 \$0.05 for a period of one year from the date of issuance. On closing, the Company paid \$5,600 cash fees to the Finders and issued 112,000 Compensation Warrants to the Finders.

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. 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.

About Pele

Pele Mountain Resources is focused on the sustainable development of its Eco Ridge property in Elliot Lake, Ontario. The Eco Ridge property has unique characteristics that make it an attractive development site, including excellent regional infrastructure, strong local support, and its strategic location within Canada's only historic rare earth mining camp.

Pele is focused on advancing Eco Ridge as host to Canada's first rare earth processing centre and has begun assessing its potential to host a large-scale renewable energy project. The NI 43-101 mineral resources at Eco Ridge also provide Pele shareholders with exposure and leverage to the growing global demand for 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.

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.