



Pele Mountain Enters Into Funding Agreement

Trading Symbol: TSX Venture : **GEM**
OTCQX : **GOLDF**
Shares Outstanding: 209,596,930

FOR IMMEDIATE RELEASE

September 23, 2016 – Toronto – Pele Mountain Resources Inc. (TSX VENTURE: **GEM**) (OTCQX: **GOLDF**) (“**Pele**” or the “**Company**”) announced today that it has entered into a funding agreement (the “**Agreement**”) with an arm’s length lender (the “**Lender**”). The Agreement sets out the terms of a \$100,000 loan (the “**Loan**”) from the Lender to Pele.

The Loan bears interest at 6-percent per annum and will be repaid from the first proceeds realized from the sale of Pele’s 1.96-million shares of Kesselrun Resources Ltd. (the “**KES Shares**”).

Pele President and CEO Al Shefsky stated, “In keeping with our previously announced plan to monetize non-core-assets, we are partially monetizing our KES shares through this loan agreement – providing some immediate cash to the Company while retaining significant upside to Kesselrun. These are heavily-restricted shares of a junior exploration company and we believe that this loan is a prudent measure for Pele. It should be clear that we retain all of our KES shares and will, of course, abide by agreed-to restrictions on their future sale.”

As partial consideration for the Loan, Pele has agreed to issue 400,000 shares at an attributed value of \$0.05 of the Company to the Lender, subject to regulatory approval. Upon repayment of the Loan, the Lender shall retain a 50-percent interest in the proceeds of future sales of the KES Shares and a 10-percent interest in any proceeds actually received by Pele from the Company’s royalty on its former Ardeen Project.

The Loan is subject to approval of the TSX Venture Exchange and the shares issuable pursuant to the Agreement will be subject to a four (4) month hold.

About Pele

Pele Mountain Resources is focused on the sustainable development of power generation, energy storage and mineral processing in Northern Ontario.

Pele’s Eco Ridge project has unique characteristics that make it an attractive development site, including excellent regional infrastructure, strong local support, and its strategic location in Elliot Lake, Canada’s only historic rare earth mining and processing camp. Pele remains committed to advancing Eco Ridge as host to Canada’s first rare earth processing centre and its extensive NI 43-101 mineral resources continue to provide exposure and leverage to rare earths and uranium.

The protracted downturn in the rare earth and uranium markets has prompted Pele to expand its business model to include electricity generation and energy storage projects, beginning in Elliot Lake. Pele sees considerable opportunity in this rapidly growing sector and is working with leading energy industry professionals and suppliers of advanced technologies to provide a range of customized benefits to municipal and industrial electricity consumers in Northern Ontario.

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. Some of the statements contained in this release are forward-looking statements, such as 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.