



## **Pele Mountain Assembles Expert Team to Advance Technical, Environmental and Economic Studies of 33-Million Pound U<sub>3</sub>O<sub>8</sub> Resource at Elliot Lake**

Symbol: **GEM**

Listing: TSX Venture Exchange

Common Shares Outstanding: 65,834,360

### **FOR IMMEDIATE RELEASE**

February 2, 2007 - Toronto - **Pele Mountain Resources Inc. (TSX Venture: GEM)** (“Pele” or the “Company”) announced today that it has commenced implementation of the recommendations provided by Scott Wilson Roscoe Postle Associates Inc. (“**Scott Wilson RPA**”) to advance Pele’s Elliot Lake uranium project (the “**Project**”) in northern Ontario. In its recent NI 43-101 compliant Technical Report (the “**Report**”), Scott Wilson RPA estimated that the Project contains an inferred mineral resource of 30.05 million tonnes grading 0.050-percent uranium oxide (U<sub>3</sub>O<sub>8</sub>), or 1.1 pounds per tonne (or 1 pound per short ton), containing 33.05-million pounds of U<sub>3</sub>O<sub>8</sub> in situ, and an additional potential mineral deposit of 25 to 30 million tonnes at grades ranging from 0.04 to 0.05 percent U<sub>3</sub>O<sub>8</sub><sup>1</sup>. (please see Pele’s press release dated January 16, 2007 for additional details).

Pele President and CEO Al Shefsky stated: “We are systematically advancing our Elliot Lake uranium project with assistance from a talented and knowledgeable team. Scott Wilson RPA is collaborating with experienced professionals from a wide range of disciplines to complete the Stage 1 technical and economic assessments recommended in their NI 43-101 Report. The immediate focus is on determining the optimal mining and processing methods for the deposit while establishing an environmental management plan. Our Elliot Lake project hosts an exceptional resource of uranium oxide and we are committed to moving the project forward in an expeditious manner.”

The Stage 1 program will pursue opportunities to maximize revenue and minimize costs for a potential uranium mining and processing operation at Elliot Lake. The four key opportunities identified involve studies of:

- The technical and economic viability of recovering Rare Earth Oxides and the production of marketable products.
- Maximizing underground leaching of the resource and assessing the viability of leaching the lower grade mineralization in the hanging wall of the Main Conglomerate Bed.
- The viability of using surface heap leaching as an alternative to conventional milling.
- The potential to mine higher grade, near-surface portions of the deposit early in the project life.

As reported previously, Scott Wilson RPA has recommended that Pele follow a two-stage program at Elliot Lake. The first-stage “Preliminary Assessment” is designed to “further assess the technical and economic viability of the deposit and provide recommendations to advance the project to a preliminary feasibility stage.” Exploration in support of the Preliminary Assessment is now underway with an initial

15 hole drill program to assess close spaced grade variability and the potential for higher grade zones, and to provide sample material for metallurgical testing and rare earth element analyses. Historic exploration information from the Pele property, relevant historic and current information on mining, processing and environmental management from the Elliot Lake camp, and other relevant information regarding uranium exploration, development, and production will also support the Preliminary Assessment, the scope of which will include:

- Review of previous underground bioleaching and heap leaching tests from within the camp.
- Investigation of the viability of rare earth oxide recovery as a byproduct of uranium mining.
- Construction of geological and resource block models of the deposit for mine planning.
- Assessment of various mining and processing methods, along with mine development options, to optimize mining plans and estimate operation and development costs.
- Identification of environmental best practices, and permitting and environmental assessment requirements.

The technical and economic assessments are being undertaken by a team of industry experts under the overall management of Scott Wilson RPA. The technical team will consist of personnel with direct technical and operational experience in the mining and processing of the Elliot Lake ore, including personnel that played key roles in the underground leaching programs and the by-product production of rare earth oxides. This direct experience will be augmented with personnel from organizations with expertise in environmental management, uranium and rare earth element plant design, heap leaching, geostatistical block modeling, geophysics, and mineralogy. In addition to managing the Project, Scott Wilson RPA will carry out the geological and mining assessments. The following organizations have been contracted to work together with Scott Wilson RPA on advancing the Project:

- EHA Engineering Ltd. will oversee metallurgical testing, which will be performed at SGS Lakefield Research Limited. EHA provides engineering services in the fields of hydrometallurgy, mineral processing and flowsheet design and has wide experience in designing and interpreting the results of leaching tests on uranium mineralization.
- FSS Canada will lead the geostatistical and grade simulation studies. FSS has extensive experience in developing geostatistical block models for mineral deposits and are recognized internationally as experts in the field of geostatistics.
- SENES Consultants Ltd., will lead the environmental studies. SENES are specialists in energy, nuclear and environmental sciences and have worked extensively with private sector companies, government agencies and public interest groups.

This press release has been reviewed and approved by Robert MacGregor, P.Eng., an independent Qualified Person with 14 years experience working in the Elliot Lake area during its time as an active uranium mining camp. Any disclosure in this press release pertaining to the Report has been reviewed and approved by Lawrence B. Cochrane, Ph.D., P. Eng., of Scott Wilson RPA, a "Qualified Person" under NI 43-101.

#### **About Pele Mountain Resources**

Pele Mountain Resources is focused on the advancement of its 100-percent owned Elliot Lake uranium project in northern Ontario. The Elliot Lake project hosts a NI 43-101 compliant mineral resource of 30.05 million tonnes grading 0.05% U<sub>3</sub>O<sub>8</sub> with very good potential to increase the mineral resources on the property, according to a Technical Report authored by Scott Wilson Roscoe Postle Associates Inc.

The Elliot Lake mining camp was once known as "the uranium capital of the world" and has produced more than 270 million pounds of U<sub>3</sub>O<sub>8</sub> from stratigraphically-bound deposits that demonstrate remarkable consistency over extensive areas. The uranium market is currently experiencing a strong upward price trend due to uncertain supply and increasing global demand.

Pele also holds a diverse portfolio of gold, diamond, and base metal projects located across northern Ontario, including the Highland project where drilling has outlined several high-grade, narrow-vein gold zones within an historic mining camp. Through project generation and mineral discovery, Pele provides shareholders with exposure and leverage to the increasing global demand for natural resources. Pele stock trades on the TSX Venture Exchange under the symbol "GEM".

For further information please contact Al Shefsky, President, at (416) 368-7224, or visit the Pele website at [www.pelemountain.com](http://www.pelemountain.com).

1. The potential quantity and grade of the potential mineral deposit are conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the targets being delineated as a mineral resource.

**The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.** Some of the statements contained in this release are forward-looking statements, such as estimates and 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.