



Pele Mountain Completes First 16 Drill Holes at Elliot Lake

Symbol: **GEM**
Listing: TSX Venture Exchange
Common Shares Outstanding: 66,521,860

FOR IMMEDIATE RELEASE

February 28, 2007 - Toronto - **Pele Mountain Resources Inc. (TSX Venture: GEM)** (“Pele” or the “**Company**”) is pleased to announce that it has completed the first 16 holes of an initial 22-hole drill program at its 100-percent owned Elliot Lake uranium project in northern Ontario.

A total of 20 out of the 22 drill holes in the current program are within a 600 by 800 metre area where uranium-bearing conglomerate beds occur from surface to a vertical depth of 200 metres. The drilling will provide close-spaced sample information on the grade and thickness of the Main Conglomerate Bed and mineralogical and geotechnical data, enabling the upgrade of certain “Inferred Resources” to the “Indicated” category, a necessary reclassification for mine planning studies. The immediate focus at Elliot Lake is the determination of optimal mining and processing methods for the deposit while establishing an environmental management plan.

The drill core is being logged and cut into quarters, with one-half of the sample used for metallurgical leaching tests, one-quarter used for standard assay analysis of U_3O_8 and rare earth elements and one-quarter archived as a permanent record for future reference. The assaying and metallurgical testing are being conducted at SGS Lakefield Research Limited, an ISO 17025 accredited laboratory.

Pele President and CEO Al Shefsky stated, “Our first-stage program is designed to pursue opportunities to maximize revenue and minimize costs for a potential uranium mining and processing operation at Elliot Lake. The program is advancing on schedule and we expect to begin our second-phase pre-feasibility study this summer. We are increasingly confident in the value of our Elliot Lake project as a hedge against soaring uranium prices. Our Elliot Lake Project has a large resource, outstanding exploration potential and superior leverage to the increasing price of uranium”.

Last month, Scott Wilson Roscoe Postle Associates Inc. (“**Scott Wilson RPA**”) released a NI 43-101 compliant Technical Report estimating that Pele’s Elliot Lake project contains 30.05 million tonnes grading 0.05-percent U_3O_8 , for a total inferred resource of 33.05-million pounds U_3O_8 , and an additional potential mineral deposit of 25 to 30 million tonnes at grades ranging from 0.04 to 0.05 percent U_3O_8 ¹. Scott Wilson RPA is collaborating with experienced professionals from a wide range of disciplines to complete the assessments recommended in its Report.

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 and any reference to the 43-101 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 33 million pounds of U_3O_8 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_3O_8 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.

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.