



Pele Mountain Advances Mine Planning Studies on 33-Million Pound Uranium Oxide Resource at Elliot Lake

Drill Programs to Upgrade Near-Surface Resources, Expand Down-Dip Resources

Symbol: **GEM**

Listing: TSX Venture Exchange

Common Shares Outstanding: 70,381,860

FOR IMMEDIATE RELEASE

March 29, 2007 - Toronto - **Pele Mountain Resources Inc. (TSX Venture: GEM)** (“**Pele**” or the “**Company**”) today announced the continued advancement of technical, economic, and environmental scoping studies at its 100-percent owned Elliot Lake Uranium project in Northern Ontario. The focus of the ongoing studies is to establish the basis for economically viable, safe and environmentally compliant mining and processing facilities at Elliot Lake.

In January, Scott Wilson Roscoe Postle Associates Inc. (“**Scott Wilson RPA**”) released a NI 43-101 compliant Technical Report (the “**Report**”) estimating that the deposit 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.

Pele President and CEO Al Shefsky stated, “As detailed below, we are achieving outstanding progress on multiple fronts at Elliot Lake. Our positive results to-date, along with our belief in the long-term sustainability of a robust uranium market, continue to increase our confidence that the near-term development of a world-class uranium mine and processing facility is a realistic objective.”

The ongoing scoping studies are focused on determining the optimal mining and processing methods for the deposit while establishing an effective environmental management plan. The project is advancing systematically and on schedule according to the recommendations set out in the Report. Pele is pleased to report the following updates and milestones in the areas of resource estimation, mine planning, processing methods, and environmental management.

Resource Estimation

- The initial 22-hole drill program has been completed with the drill core logged, sawed, and sent to SGS Minerals Services for analysis of uranium and rare earth elements (“REE”). Assay results are expected next month.
- 20 of the 22 holes were located within a near-surface area measuring 600 by 800 metres and will enable the upgrade of “inferred” mineral resources within this area to the “indicated” category.

Six of these holes were originally scheduled as part of the stage two pre-feasibility study, however they have been completed earlier in the schedule to facilitate the more detailed resource estimate.

- An additional drill program is planned in a previously drill-tested area now categorized as a “potential mineral deposit” that, if successful, will enable the upgrade of significant portions to the “inferred” category, adding to Pele’s current NI 43-101 compliant U₃O₈ resource total of 33 million pounds.
- Down-hole radiometric surveys have been completed in current drill holes with the objective to provide high resolution spectra that can be converted to provide equivalent uranium and thorium content. Correlations between thorium and REE have been established from the core analyses and the radiometric surveys are expected to also provide a relatively quick, and cost effective method to estimate the REE content. Furthermore, a previously drilled AXT-size hole was successfully re-entered with a “dummy-probe” indicating that many of the historic holes can also be surveyed.

Mine Planning

- Preliminary geotechnical assessments on drill cores are complete and have demonstrated that the rock mass quality of the deposit and its host rocks is good to excellent and sufficient to support room-and-pillar mining methods.
- The deposit outcrops for approximately 6 kilometres and dips to the northwest at approximately 20 degrees, with the highest concentrations of uranium occurring at the base of the “Main Conglomerate Bed”. A reduction in mining height from approximately 2.4 metres (as stated in the Technical Report) is now considered likely in order to optimize grade and operating costs.
- Additional in-fill holes are planned to further outline relatively higher-grade, near-surface zones for mining early in the project life.

Processing Methods

- Samples have been sent to the Inco Innovation Center at Memorial University in Saint John’s Newfoundland, for mineralogical assessment using its Mineral Liberation Analyzer with results expected by June. This testing will provide information on the mineralogical associations and distribution of both uranium and rare earth oxides.
- Upon receipt of the assay results from the current 22 drill holes, additional core samples from the Main Conglomerate Bed will be shipped to SGS Lakefield Research Limited for use in uranium and REE leaching recovery tests that are expected to be completed this summer.
- Processing methods now under consideration include conventional milling and underground leaching, both of which proved to be effective in former operations at Elliot Lake. Other options are also being evaluated.

Environmental Management

- Consultation has been initiated with the Serpent River First Nation and the City of Elliot Lake to foster open and constructive dialogue regarding the project in the interest of preserving the natural balance in this culturally significant and beautiful area of Northern Ontario.
- “Best Practices” for environmental management are being implemented for the exploration programs and are being established for the development stages of the project.

- Environmental and permitting aspects for various processing options are under review and preparation for an environmental baseline survey is scheduled to commence this summer.

The “Qualified Person” under NI 43-101 for Scott Wilson RPA’s Technical Report is Lawrence Cochrane, P.Eng. This press release has been reviewed and approved by Robert MacGregor, P.Eng., 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 and rare earth elements project in Northern Ontario. The Elliot Lake project hosts a NI 43-101 compliant mineral resource of 33 million pounds of U₃O₈ 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 U₃O₈ 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.