



Drilling Confirms Near-Surface, Higher-Grade Uranium at Pele Mountain's Elliot Lake Project

Significant Rare Earth Oxides Also Confirmed Within Main Conglomerate Bed

Symbol: **GEM**

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FOR IMMEDIATE RELEASE

May 1, 2007 - Toronto - **Pele Mountain Resources Inc. (TSX Venture: GEM)** ("Pele" or the "Company") today announced results of its 22-hole drill program at its Elliot Lake Uranium Project in Northern Ontario. Ongoing technical, economic, and environmental scoping studies at Elliot Lake are being conducted under the supervision of Scott Wilson Roscoe Postle Associates ("Scott Wilson RPA"). Pele is focused on developing a world-class mine at Elliot Lake where an inferred resource of over 33 million pounds of U₃O₈ has been defined, with the potential for significant upgrade and expansion.

The drill program included over 3,000 metres in 22 holes, primarily within the 600 by 800-metre "Adit Block" where near-surface and relatively higher-grade intercepts were recorded in historic drilling and sampling. The program was designed to provide in-fill drilling and confirm results of historic holes.

Results of the program are consistent with historic drilling, returning grades within the Adit Block higher than the 1.10 pounds per tonne (lbs/tonne) average across the currently-defined Inferred Resource. Holes drilled within the Adit Block (PM-1, PM-4 through PM-22) demonstrate an estimated true width of the Main Conglomerate Bed ("MCB") ranging from 2.06 to 2.95 metres with average U₃O₈ grades ranging from 0.029 to 0.125-percent (0.64 to 2.76 lbs/tonne) and average Total Rare Earth Oxide ("REO") grades within the Adit Block ranging from 0.149 to 0.322-percent (3.28 to 7.10 lbs/tonne). The relatively higher-grade, near-surface Adit Block presents a favorable location for mining early in the project life.

A fan of holes (PM-4 through PM-18) was drilled from a single set-up, intersecting the MCB at spacings varying from 2 to 65 metres to determine the short-range variability of the MCB grade and thickness for geostatistical block modeling and grade simulation studies. The average true thickness of the 14 completed holes was 2.5 metres with an average grade of 0.075-percent U₃O₈ (1.65 lbs/tonne).

The variation seen in these close-spaced holes is consistent with the variation in grades from historic face sampling in the nearby exploration adit where 18 samples taken at 1.5-metre intervals ranged from 0.028 to 0.097-percent U₃O₈ (0.62 to 2.14 lbs/tonne). In the fan drilling exercise, the 14 holes ranged in grade from 0.036 to 0.125-percent (0.79 to 2.76 lbs/tonne). While the grade variation was slightly higher in the fan drilling, this was expected given the greater distance between sample points.

These results will be used to develop an updated block model for the Adit Block, along with grade simulation models for resource estimation and mine planning. They will enable an upgrade of substantial “Inferred” mineral resources to the “Indicated” category within the Adit Block. Updated resource estimates are expected to be available during June. The grade simulation models will also be used to identify other potential higher grade zones outside of the Adit Block.

As indicated by historic drilling, the highest U₃O₈ grades within the MCB consistently occur near its base. Highest grade intervals included 0.274, 0.255, and 0.250-percent U₃O₈ (6.04, 5.62, and 5.51 lbs/tonne) over true widths of 0.69, 0.58, and 0.80 metres, respectively. The grades decrease toward the top of the MCB as a result of the presence of narrow bands of quartzite interbedded with the conglomerate. These results support previously-announced plans to consider a reduction in the mining height from the MCB base in order to optimize grade and reduce operating costs.

In summary, the Pele drill program was successful in verifying that:

- The thickness of the MCB, and the U₃O₈ grades and distribution within the MCB, are consistent with historic drill results.
- The spatial variation in U₃O₈ grades from close-spaced fan drilling is consistent with historic face sampling results from within the nearby exploration adit.
- The Total REO grades & distribution within the MCB meet or exceed previous results.
- The Total REO grades correlate very closely with ThO₂ grades.

Uranium and REO assay results from intersections of the MCB are included in the table below.

Drill Results - Main Conglomerate Bed

Drill Hole	From (m)	Length (m)	Est. True Width (m)	U₃O₈ (%)	U₃O₈ (lbs/tonne)	REO (%)	REO (lbs/tonne)
PM-01	203.32	3.43	3.43	0.046	1.01	0.169	3.73
PM-02	279.70	2.38	2.06	0.050	1.10	0.025	0.55
PM-03	135.00	3.14	3.14	0.033	0.73	0.183	4.03
PM-04	84.71	2.29	2.22	0.050	1.10	0.216	4.76
PM-05	91.05	2.78	2.61	0.055	1.21	0.216	4.76
PM-06	99.60	2.90	2.35	0.058	1.28	0.254	5.60
PM-07	129.70	4.91	2.95	0.118	2.60	0.270	5.95
PM-08	186.30	6.20	2.42	0.125	2.76	0.322	7.10
PM-09	Not Completed to Planned Depth						
PM-10	85.72	2.28	2.09	0.040	0.88	0.227	5.00
PM-11	94.44	2.94	2.49	0.036	0.79	0.149	3.28
PM-12	116.46	4.31	2.87	0.096	2.12	0.272	6.00
PM-13	93.39	3.11	2.54	0.111	2.45	0.233	5.14
PM-14	83.44	2.61	2.41	0.071	1.57	0.252	5.56
PM-15	79.35	3.00	2.91	0.070	1.54	0.244	5.38
PM-16	78.00	2.50	2.42	0.046	1.01	0.202	4.45
PM-17	90.00	3.48	2.69	0.094	2.07	0.196	4.32
PM-18	85.27	2.46	2.08	0.057	1.26	0.220	4.85

PM-19	103.20	2.20	2.18	0.067	1.48	0.194	4.28
PM-20	113.30	2.48	2.45	0.039	0.86	0.164	3.62
PM-21	121.45	2.24	2.20	0.029	0.64	0.184	4.06
PM-22	185.14	2.57	2.53	0.029	0.64	0.149	3.28

PM-1 was drilled in the Adit Block as part of Pele's due diligence on the property in October 2006. Holes PM-2 and PM-3 were drilled outside the Adit Block to test the northeast edge of the MCB and to confirm its presence within a gap between historic drill holes. Holes PM-19 through PM-22 were drilled elsewhere in the Adit Block, separate from the fan drilling location.

As noted in prior press releases, Scott Wilson RPA is investigating the technical and economic viability of REO recovery as a means of increasing revenues at Elliot Lake. REOs are critical components in many high-tech applications including hybrid motor vehicles, flat screen monitors, and high-power magnets. Although demand for REOs is growing rapidly, over 90-percent of their supply is controlled by China, which has recently imposed tariffs on their export. Relative percentages of individual REOs within the Total REO content from drill intersections of the MCB are displayed in the table below.

Relative Percentages of Individual REOs – Main Conglomerate Bed

Rare Earth Oxide		Relative Percentage
Yttrium Oxide	Y ₂ O ₃	4.8
Cerium Oxide	CeO ₂	46.3
Dysprosium Oxide	Dy ₂ O ₃	1.1
Erbium Oxide	Er ₂ O ₃	0.5
Europium Oxide	Eu ₂ O ₃	0.1
Gadolinium Oxide	Gd ₂ O ₃	1.9
Holmium Oxide	Ho ₂ O ₃	0.2
Lanthanum Oxide	La ₂ O ₃	23.5
Neodymium Oxide	Nd ₂ O ₃	14.0
Praseodymium Oxide	Pr ₆ O ₁₁	4.6
Samarium Oxide	Sm ₂ O ₃	2.4
Terbium Oxide	Tb ₄ O ₇	0.3
Ytterbium Oxide	Yb ₂ O ₃	0.4

A more detailed review of the recent drill results from the Main Conglomerate Bed and QA/QC program is available on Pele's website at www.pelemountain.com/pdfs/drillresultsMCB050107.pdf

All samples were processed at SGS Mineral Services in Toronto, an ISO 17025 accredited laboratory.

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 drilling program results 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 developing a world-class mining and processing facility at its 100-percent owned Elliot Lake Uranium Project in Northern Ontario. The project hosts a NI 43-101 compliant inferred resource of over 33 million pounds of U₃O₈ with the potential for significant near-term upgrade and expansion. Scott Wilson RPA is collaborating with experienced professionals from a wide range of disciplines to lead its recommended technical, economic, and environmental scoping studies.

The Elliot Lake 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 unprecedented price gains due to surging global demand and increasingly uncertain supply.

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 ongoing bull market in 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.

The TSX-V 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.