



## Pele Mountain Expands Elliot Lake Uranium Project

Symbol: **GEM**

Listing: TSX Venture Exchange

Common Shares Outstanding: 71,581,860

### FOR IMMEDIATE RELEASE

May 2, 2007 - Toronto - **Pele Mountain Resources Inc. (TSX Venture: GEM)** (“**Pele**” or the “**Company**”) announced today that it has entered into a binding agreement (the “**Agreement**”) to acquire 5 mining claims comprised of 77 claim units (the “**New Claims**”) located immediately adjacent to the southern boundary of the Company’s Elliot Lake Project. Pele is focused on developing a world-class uranium mine at Elliot Lake where an inferred resource of over 33 million pounds of U<sub>3</sub>O<sub>8</sub> has been defined, with the potential for significant upgrade and expansion.

Upon closing of the Agreement, scheduled for May 4, 2007, Pele’s 100-percent owned Elliot Lake project will comprise a total of 389 mining claim units covering more than 15,000 acres.

Under the terms of the Agreement, Pele has agreed to pay the vendors a total of \$122,000 in cash and to issue 150,000 common shares in the capital of Pele at an attributed value of \$0.90 per share or an aggregate value of \$135,000 in accordance with the following schedule:

- \$24,000 and 30,000 shares on closing, scheduled for May 4, 2007;
- \$28,000 and 40,000 shares by May 1, 2008;
- \$30,000 and 40,000 shares by May 1, 2009;
- \$40,000 and 40,000 shares by May 1, 2010.

The above cash payments and share issuances can at Pele’s option be accelerated at any time.

The vendors will also retain a 3-percent NSR royalty, of which Pele may buy back 1.5-percent for \$1.5-million.

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”). The studies are focused on determining the optimal mining and processing methods for the deposit while establishing an effective environmental management plan.

The transaction remains subject to standard closing conditions and acceptance of applicable regulatory filings.

### 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 U<sub>3</sub>O<sub>8</sub> 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 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 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](http://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.