



Pele Mountain Announces Plan to Optimize Corporate Structure

Elliot Lake Uranium to Be Separated from Diversified Exploration Portfolio

Symbol: **GEM**

Listing: TSX Venture Exchange

Common Shares Outstanding: 71,581,860

FOR IMMEDIATE RELEASE

May 3, 2007 - Toronto - **Pele Mountain Resources Inc. (TSX Venture: GEM)** ("Pele" or the "Company") today announced plans to optimize its corporate structure in which its Elliot Lake Uranium Project will be separated from its other diversified mineral interests across Northern Ontario by way of transfer to a wholly-owned subsidiary. The move is intended to provide increased corporate flexibility in order to better realize shareholder value.

Pele President & CEO Al Shefsky stated, "With the opportunity presented at our Elliot Lake Uranium Project, we are committed to its near-term development and virtually all of our resources are now focused there. The planned optimization of our corporate structure is intended to increase opportunities to maximize shareholder value. Simultaneously, consistent with our stated exploration strategy of recent years, we will pursue strategic partnerships to fund and operate all of our exploration projects in Northern Ontario except our primary focus, which is clearly Elliot Lake."

Pele has also provided updates on its non-uranium exploration projects.

At the Highland Project, a NI 43-101 technical report has recently been completed and is now available on the Pele website. The report summarizes previous work at Highland where Pele has drilled over 10,000-metres, outlining several high-grade, narrow-vein gold zones within an historic mining camp. Pele has also discovered and drill-tested a diamond-bearing mica-kimberlite dike.

At the Sudbury Nickel Project, a NI 43-101 technical report has recently been completed by project-operator Wallbridge Mining Company and is available on the Pele website. An active work program is planned for the upcoming field season as outlined in the report. The project covers 14,000 acres in the north range of the Sudbury Mining Camp and includes two offset dikes and several occurrences of Sudbury breccia. Wallbridge can earn up to a 60-percent interest in the project by spending \$1.2-million by year-end 2009 and up to 72.5-percent by completing a bankable feasibility study and arranging project financing through to commercial production.

At the Ardeen Gold Project, Pele has sent a notice of termination to Maple Minerals Corp. and East West Resource Corporation to end its previous option agreement pursuant to its terms. The project covers over 10,000 acres along the Shebandowan Greenstone Belt west of Thunder Bay and includes northern Ontario's first gold mine. Pele has drilled more than 12,000 metres of core at Ardeen, returning several high-grade gold intercepts.

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_3O_8 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_3O_8 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. Through project generation, strategic partnerships, 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 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.