



## **Pele Mountain Enters Prolific Northern Ontario Uranium Camp**

Symbol: GEM  
Listing: TSX Venture Exchange  
Common Shares Outstanding: 46,624,237

### **FOR IMMEDIATE RELEASE**

May 26, 2005 - Toronto - **Pele Mountain Resources (TSX Venture:GEM)** (“Pele” or the “Company”) announced today that it has acquired 122 mining claim units covering nearly 5,000 acres near Elliott Lake in northern Ontario. Between 1955 and 1989, the Elliott Lake area produced more than 135,000 tons of uranium and was widely recognized as “the uranium capital of the world”.

The uranium price has risen sharply in recent years, increasing from a long-term base of roughly US\$10 per pound, a level seen as recently as early 2003, to its current price of US\$29 per pound. Many market analysts anticipate a continued and sustained rise in the uranium price, resulting from a lack of adequate supply from producing mines and existing government stockpiles coupled with increased demand for nuclear power in response to higher oil prices, particularly in large and rapidly developing countries like China, India and Russia.

The Elliot Lake area is known for low-grade, stratigraphically-bound uranium deposits that demonstrate remarkable consistency across large areas. Past uranium production from twelve underground mines near Elliot Lake averaged a recovered grade of just over 2 pounds per ton (lbs/ton). Following the development of large, higher-grade uranium deposits in Saskatchewan, Australia, and elsewhere in the 1970s and 1980s, production at Elliot Lake declined before ending completely in 1996. Pele management believes that if the increasing uranium price trend continues, the remaining uranium deposits at Elliott Lake may again become economically viable.

Pele’s Elliot Lake property consists of two claim blocks, the eastern and western. The eastern claim block covers the down-dip extension of the uranium-bearing Pardee paleo channel. The up-dip part of this channel just south of Pele’s property has a published historical resource of 5,390,000 tons averaging 1.4 lbs/ton uranium (Ontario Department of Mines, Geological Report No. 4). The continuation of uranium-bearing conglomerate beds onto Pele’s property has been confirmed by drilling up to 2.5 kilometres north of Pele’s southern boundary and up to 3 kilometres across dip.

Past drilling on Pele’s eastern claim block by Riocanex includes a hole approximately two kilometres northwest of Pele’s southern boundary which assayed 0.92 lbs/ton uranium over 5.61 metres, including 1.14 lbs/ton over 3.7 metres or 1.31 lbs/ton over 2.1 metres as the average of two intersections through the same horizon, one from the original hole and the other from an additional wedge cut.

Pele’s western claim block ties on to the past-producing Stanleigh Uranium Mine property and includes the down dip extension of the orebody that was mined there.

All drill holes, assays, and resource estimates described above date from 1955 to 1969, do not conform to the requirements of NI 43-101, and accordingly should not be relied upon.

This press release has been reviewed and approved by Robert MacGregor, P.Eng., an independent consultant and Qualified Person with 14 years experience in the Elliot Lake area during its time as an active mining camp.

**PELE MOUNTAIN RESOURCES INC.**

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Pele Mountain Resources is an exploration play on the vast mineral wealth of northern Ontario. Pele has acquired and developed an exceptional portfolio of diamond, gold, and base metal properties which provide exposure and leverage both to discovery and to the unfolding bull market in natural resources. Pele is active on six project fronts, including diamond exploration at Festival, Alliance and Attawapiskat River with partners Goldcorp and Trigon Exploration Canada, along with in-house gold and base metal exploration at its Ardeen, Highland, and Timmins properties. 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 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. None of the Company's properties have any known ore body of economic or commercial value.