



## **Drilling Underway to Extend ‘A’ Zone Bulk Sample Site at Pele’s East Highland Gold Project**

Program Funded by Arm’s-Length Entity in Advance of Possible Transaction as Pele Focuses on Uranium and Rare Earth Element Opportunities at Eco Ridge

Symbol: **GEM**

Listing: TSX Venture Exchange

Common Shares Outstanding: 101,843,608

### **FOR IMMEDIATE RELEASE**

September 7, 2010 - Toronto - Pele Mountain Resources Inc. (TSX Venture symbol: **GEM**) ("**Pele**" or the "**Company**") announced today that drilling has recommenced at its East Highland Gold project in Northern Ontario. East Highland is 100-percent owned by Pele Gold Corporation, a wholly owned subsidiary of the Company.

As announced on June 25, Pele has received preliminary engineering plans for the extraction of an additional high-grade, near-surface bulk sample at the ‘A’ zone. The drill program seeks to extend the known mineralized zone to the east through a series of shallow core holes totaling approximately 500 metres of diamond drilling. The program is being funded by an arm’s-length party with whom Pele is discussing a possible transaction involving its Highland gold properties. Pele is also actively engaged in discussions with other companies regarding their possible involvement at Highland.

Pele President and CEO Al Shefsky stated, “Recent extraordinary events that have caused sharp price increases for Rare Earth Elements (“**REE**”), along with excellent progress toward the completion of long-term engineering studies to optimize capital and operating parameters, have prompted us to intensify our efforts to advance development of our flagship Eco Ridge Mine Uranium and REE project. At East Highland, we are pursuing opportunities to generate near term, non-dilutive revenue, either through the pending bulk sample, a new strategic partnership, or both. With a dominant land position through the heart of a prolific gold belt, we believe that we have excellent near-term prospects to realize value at Highland.”

Drilling by Pele has established that the ‘A’ zone has a minimum 65 metre strike length and extends to a vertical depth of at least 200 metres. Earlier this year, 29 holes were drilled at approximately 5-metre spacing in the existing pit to a vertical depth of approximately 22 metres to delineate a near-surface, mineable gold bulk sample (News release dated March 16, 2010). Highlights from the recent drilling, all over estimated true widths, include:

- 34.20 g/t gold over 2.78 metres, including significant visible gold (Hole #27)
- 10.61 g/t gold over 4.40 metres (Hole #10)
- 17.15 g/t gold over 2.40 metres (Hole #18)

Pele's Highland gold properties are located approximately 100 kilometres southeast of Hemlo in Northern Ontario, along the Michipicoten Greenstone Belt, home to several past producing gold mines including the Renabie Mine (more than one-million ounces) and where Richmond Mines Inc. is operating the Island Gold Mine. The Highland properties include shear-hosted gold occurrences associated with quartz veining commonly containing visible gold. Significant geological potential for the discovery of a mineable gold deposit and outstanding local infrastructure, including nearby modern gold milling facilities, leads management to believe there are good opportunities to establish revenue generating operations at East Highland.

This news release has been reviewed and approved by Peter Dimmell, P.Geo. (NL, Temp ON), a Pele Director and a Qualified Person under National Instrument 43-101.

#### **About Pele**

Pele Mountain Resources is intensifying its efforts and focus on the sustainable development of its Eco Ridge Mine Uranium and Rare Earth Elements ("**REE**") project, located in the Elliot Lake mining camp of Northern Ontario. Pele's expert team of technical personnel, advisors, and consultants is working to optimize mining, processing, and waste management techniques at Eco Ridge. With well-understood geology, excellent regional infrastructure, and strong local support, Eco Ridge provides an ideal location for a safe, secure, and reliable long-term supply of Uranium and REE. Additionally, Pele has, or is actively seeking, qualified strategic partners to advance its other high-potential exploration projects, including high-grade gold properties at Highland and Ardeen. Pele's shares are listed on the TSX Venture Exchange under the symbol "**GEM**".

For further information please contact Al Shefsky, President, at (800) 315-7353, or visit the Pele website at [www.pelemountain.com](http://www.pelemountain.com).

**Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts 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. The economic viability of the 43-101 mineral resource at Pele's Elliot Lake Project has not yet been demonstrated by a preliminary feasibility study.