



## **Pele Mountain to Add Rare Earth Elements Resource Estimate in New NI 43-101 Report at Eco Ridge Mine**

### **Surging Rare Earth Elements Markets Spark New Opportunities**

Symbol: **GEM**

Listing: TSX Venture Exchange

Common Shares Outstanding: 101,843,608

#### **FOR IMMEDIATE RELEASE**

September 13, 2010 - Toronto - Pele Mountain Resources Inc. (TSX Venture: **GEM**) ("**Pele**" or the "**Company**") announced today that it has retained Scott Wilson Roscoe Postle Associates ("**Scott Wilson RPA**") to provide an updated NI 43-101 mineral resource estimate that will include both uranium and rare earth elements ("**REE**") at Pele's Eco Ridge Mine project at Elliot Lake in Northern Ontario. The new resource estimate is expected to be completed by year-end. Eco Ridge is owned 100-percent by First Canadian Uranium Inc., a wholly owned subsidiary of Pele.

Recent REE market developments have resulted in sharply higher prices for several of the rare earth elements, which are found at Eco Ridge in significant quantities. Led by its renowned Rare Metals Advisor, Dr. William Bird, Pele is pursuing opportunities for REE by-products at Eco Ridge.

Regarding REE market developments, Dr. Bird commented, "China, which produces about 97-percent of the worldwide supply of REE, has recently reduced its REE export quotas by up to 70-percent. These new export restrictions have sparked a rush to find and bring to production new sources of REE outside of China. In view of the fact that the Elliot Lake deposits are a well-understood REE occurrence, have produced REE commercially in the past and have great infrastructure already in place, they are capable of producing again relatively quickly."

As reported in Pele's press release dated October 7, 2009, REE mineralization at Eco Ridge is significant and relatively consistent. All 30 drill holes that Pele has analyzed for REE to-date have contained significant REE, which occur in conjunction with uranium oxide in the vast Main Conglomerate Bed. Testing on Pele's drill core at SGS Canada Inc. indicates potential recoveries of approximately 64-percent of combined Yttrium and heavy REE. Elliot Lake is one of very few mining camps in North America with a history of successful commercial production of REE and, during the late 20<sup>th</sup> Century, was a global producer of Yttrium and heavy rare earth elements as by-products of uranium production.

Overall total rare earth oxide (“TREO”) content from each of the 30 analyzed drill holes is included in the table below, as originally reported in Pele’s press release dated October 7, 2009.

**Table 1 - Drill Results, Main Conglomerate Bed**

<b>Drill Hole</b>	<b>From (m)</b>	<b>Length (m)</b>	<b>Est. True Width (m)</b>	<b>TREO (%)</b>	<b>TREO (g/tonne)</b>
PM-01	203.32	3.43	3.43	0.169	1692
PM-02	279.70	2.38	2.06	0.025	249
PM-03	135.00	3.14	3.14	0.183	1828
PM-04	84.71	2.29	2.22	0.216	2159
PM-05	91.05	2.78	2.61	0.216	2159
PM-06	99.60	2.90	2.35	0.254	2540
PM-07	129.70	4.91	2.95	0.270	2699
PM-08	186.30	6.20	2.42	0.322	3221
PM-10	85.72	2.28	2.09	0.227	2268
PM-11	94.44	2.94	2.49	0.149	1488
PM-12	116.46	4.31	2.87	0.272	2722
PM-13	93.39	3.11	2.54	0.233	2331
PM-14	83.44	2.61	2.41	0.252	2522
PM-15	79.35	3.00	2.91	0.244	2440
PM-16	78.00	2.50	2.42	0.202	2018
PM-17	90.00	3.48	2.69	0.196	1960
PM-18	85.27	2.46	2.08	0.220	2200
PM-19	103.20	2.20	2.18	0.194	1941
PM-20	113.30	2.48	2.45	0.164	1642
PM-21	121.45	2.24	2.20	0.184	1842
PM-22	185.14	2.57	2.53	0.149	1488
PM-63	81.97	85.00	2.70	0.176	1757
PM-74	211.80	214.58	2.69	0.149	1493
PM-100	299.28	302.10	2.72	0.194	1940
PM-101	303.83	307.00	3.08	0.178	1784
PM-108	335.33	337.92	2.50	0.197	1971
PM-161	165.10	168.10	2.99	0.158	1579
PM-173	33.53	36.32	2.62	0.194	1940
PM-177	38.97	42.00	2.85	0.249	2487
PM-183	33.17	36.20	2.85	0.169	1689

The following statement and tables are excerpted from Section 16 of Scott Wilson RPA’s Technical Report: “Overall leach extraction of heavy rare earths (terbium, dysprosium, erbium, holmium, thulium, ytterbium and lutetium) plus yttrium, in all leach tests averaged 64%.”

With regard to REE recovery, Dr. Bird stated, “This means that up to 64-percent of these valuable heavy REE, which occur with the uranium at Eco Ridge, are available in the uranium leach solutions, at no extra mining or milling costs. Chemical extraction of the REE from the uranium leach solutions at Elliot Lake has been commercially successful in the past. Pele is assessing extraction and recovery opportunities for REE by-products, along with an assessment of their potential contribution toward project economics for inclusion in future Eco Ridge Mine economic modeling purposes.”

**Table 2 – Rare Earth Extraction**

<b>Heavy REE + Y</b>	<b>Sample 6</b>		<b>Sample 7</b>		<b>Sample 8</b>	
	Grade (g/t)	Extraction (%)	Grade (g/t)	Extraction (%)	Grade (g/t)	Extraction (%)
Eu	2	28.5	1.6	20.1	2.1	17.6
Gd	38	28.8	30	19.2	39	17.2
Yb	5.4	93.1	3.8	73.4	4.9	71.0
Dy	18	76.7	13	59.3	17	53.5
Er	7.8	82.2	5.5	63.8	6.9	61.3
Ho	3	77.5	2.1	61.9	2.6	61.6
Lu	0.7	85.7	<0.6	N/A	0.6	71.0
Tb	4	55.3	3.1	39.9	3.9	36.7
Tm	0.9	92.5	<0.8	N/A	0.8	71.6
Y	81	62.5	61	50.2	80	39.7

<b>Light REE</b>	<b>Sample 6</b>		<b>Sample 7</b>		<b>Sample 8</b>	
	Grade (g/t)	Extraction (%)	Grade (g/t)	Extraction (%)	Grade (g/t)	Extraction (%)
Ce	790	5.5	670	4.1	840	4.0
La	420	4.3	360	3.4	460	3.2
Nd	270	8.4	220	5.7	280	5.4
Pr	80	7.4	67	5.1	87	4.7
Sm	46	19.7	33	13.9	48	11.3

Pele's flagship property is its 100-percent owned Eco Ridge Mine Uranium and REE project, near Elliot Lake in Northern Ontario. In October 2007, Pele received a positive Scoping Study which outlined a NI 43-101 compliant resource of 6.4 million pounds of "indicated"  $U_3O_8$  (5.68 million tonnes grading 0.051-percent  $U_3O_8$ ) and 36.1 million pounds of "inferred"  $U_3O_8$  (37.26 million tonnes grading 0.044-percent  $U_3O_8$ ) and which at the time provided the basis for an economically-viable, environmentally-compliant uranium mining and processing operation.<sup>1</sup> In 2008, Pele commenced the permitting process by filing a Project Description with the Federal Government's Office of Major Projects Management and the Canadian Nuclear Safety Commission. The document details Pele's approach to sustainable development at Eco Ridge.

This press release has been reviewed and approved by Dr. William H. Bird, P.Geo., an independent qualified person under NI 43-101 and founding member of Pele's Rare Metals Advisory Board.

#### **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**".

1. The Scoping Study is preliminary in nature and includes both indicated and inferred mineral resources. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary assessment will be realized.

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.