



Pele Mountain Publishes Positive Scoping Study for Uranium Mine Project at Elliot Lake

Symbol: **GEM**

Listing: TSX Venture Exchange

Common Shares Outstanding: 72,071,310

FOR IMMEDIATE RELEASE

October 12, 2007 – Toronto – **Pele Mountain Resources Inc. (TSX Venture: GEM)** ("**Pele**" or the "**Company**") announced today that the recently-completed Scoping Study for the Elliot Lake Uranium Project (the "**Scoping Study**") is now available on the Pele website at <http://www.pelemountain.com> or on SEDAR at <http://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00009154>. The Scoping Study was authored by Scott Wilson Roscoe Postle Associates ("**Scott Wilson RPA**") and provides the basis for an economically-viable, environmentally-compliant uranium mining and processing facility at Elliot Lake.¹ Pele continues to build its technical and executive teams with a clear objective of advancing the project through licensing and feasibility toward development and production.

The Scoping Study presents a "base case" mining and processing scenario that includes less than half of the project's known uranium resources and which retains significant upside potential in many of its parameters. Highlights of the Scoping Study include an 18-year mine life that produces 826,000 pounds of U₃O₈ annually at a cash operating cost of US\$55.51 per pound, an innovative mining and processing plan comprised of conventional mining and acid-leaching along with underground bioleaching, and an updated NI 43-101 mineral resource estimate that includes 6.39 million pounds U₃O₈ (grading 0.051-percent) classified as "indicated" and 36.15 million pounds U₃O₈ (grading 0.044-percent) classified as "inferred". Details of the Scoping Study can be reviewed in Pele's press release dated October 4, 2007.

Pele is systematically pursuing opportunities to increase projected revenues, reduce projected costs, and advance the project to the licensing and feasibility stages, following recommendations provided by Scott Wilson RPA in the Scoping Study. Details of Pele's active work programs at Elliot Lake will be released beginning next week.

About Pele Mountain Resources

Pele Mountain Resources is a Canadian energy and mineral exploration company focused on advancing its 100-percent owned Elliot Lake Uranium Project toward objectives of development and production. The project has a positive Scoping Study and hosts a NI 43-101 compliant "indicated resource" of 6.39 million pounds of U₃O₈ (5.68 million tonnes grading 0.051-percent U₃O₈) and an "inferred resource" of 36.15 million pounds U₃O₈ (37.26 tonnes grading 0.044-percent U₃O₈) with the potential for significant upgrade and expansion. Elliot Lake was once known as "the uranium capital of the world" and has produced more than 270 million pounds of U₃O₈ from vast, stratigraphically-bound deposits.

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 growing global demand for natural resources. Pele stock is listed 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.

1. The Preliminary Assessment 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.

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. 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.