



## Pele Mountain Announces Closing of Private Placement Offering

Symbol: **GEM**  
Listing: TSX Venture Exchange  
Common Shares Outstanding: **148,951,246**

### FOR IMMEDIATE RELEASE

December 21, 2011 - Toronto - Pele Mountain Resources Inc. (TSX Venture: GEM) ("**Pele**" or the "**Company**") is pleased to announce that it has closed a private placement offering (the "**Offering**") comprised of 15,012,500 flow-through units (the "**Units**") at a price of \$0.16 each for gross proceeds of \$2,402,000, with each Unit consisting of one flow-through common share and one half of one common share purchase warrant (a "**Warrant**"). Each Warrant is exercisable for one common share at \$0.25 until December 21, 2012. Two directors participated in the Offering purchasing a total of 412,500 Units generating proceeds of \$66,000.

In connection with the Offering, the Company paid eligible persons (the "**Finders**") a cash fee of 7% of the gross proceeds raised through each Finder under the Offering and also issued compensation warrants equal to 7% of the total number of Units (the "**Compensation Warrants**"). Each Compensation Warrant entitles the holder upon exercise at \$0.16 to one common share of Pele until December 21, 2012. In this regard, the Company paid an aggregate amount of \$151,080 in cash fees and issued an aggregate of 934,500 Compensation Warrants to the Finders.

The securities issued pursuant to the Offering will all be subject to a four (4) month statutory hold period commencing from the date of issuance. The Offering is subject to TSX Venture Exchange acceptance of requisite regulatory filings.

The proceeds raised from the Offering will be used to finance exploration and development activities.

### About Pele

Pele Mountain Resources, a leader in Canadian rare earths development, is focused on the sustainable development of its 100-percent owned Eco Ridge Mine Rare Earths and Uranium Project. Eco Ridge is one of the only North American rare earths deposits with a positive NI 43-101 Preliminary Economic Assessment and is located in Elliot Lake, the only Canadian mining camp to have ever achieved commercial REO production. With well-understood geology, mineralogy, and metallurgy, excellent regional infrastructure, and strong local support, Eco Ridge is an ideal location for a safe, secure, and reliable long-term supply of REO and U<sub>3</sub>O<sub>8</sub>. Pele also holds interests in a portfolio of Northern Ontario

gold properties at Highland and Ardeen. Pele's shares are listed on the TSX Venture Exchange under the symbol “GEM” and on the OTCQX under the symbol “GOLDF”.

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.