



The City of Elliot Lake and Pele Mountain Sign Sustainable Energy Development Agreement

Trading Symbol: TSX Venture : **GEM**
OTCQX : **GOLDF**
Shares Outstanding: 209,596,930

FOR IMMEDIATE RELEASE

September 19, 2016 – Toronto – Pele Mountain Resources Inc. (TSX VENTURE: **GEM**) (OTCQX: **GOLDF**) (“**Pele**” or the “**Company**”) announced today that it has signed a Sustainable Energy Development Agreement (the “**Agreement**”) with the City of Elliot Lake, Ontario (the “**City**”).

Under the terms of the Agreement, the Elliot Lake City Council has appointed Pele, on an exclusive basis, to be the developer of energy and energy storage projects on City Lands until May 1, 2018.

The Agreement sets out a framework for Pele and the City to negotiate and enter into mutually beneficial long-term energy services agreements to increase the City’s energy efficiency and to facilitate growth and diversification of the City’s economy. Initial projects will focus on the City’s electricity usage and cost reduction at its own facilities.

Pele President and CEO Al Shefsky stated, “Our team has assessed power generation and energy storage opportunities in Northern Ontario during the past year, prompting us to expand our business model to include sustainable development of such projects. The outstanding infrastructure in Elliot Lake, including natural gas pipelines with excess capacity, provides an opportunity for electricity cost reductions through on-site, behind-the-meter power generation at City facilities. With our flagship Eco Ridge Project in Elliot Lake, we believe that launching this new venture here makes great business sense for Pele and the City.”

Mr. Dan Marchisella, Mayor of the City of Elliot Lake, stated, “Pele has been a responsible corporate citizen of Elliot Lake since 2005, demonstrating a commitment to our community. The Agreement with Pele represents a ‘win-win’ opportunity to deliver sustainable benefits to our City, reducing electricity costs and enhancing local economic growth and diversification at no upfront cost to the City.”

Mayor Marchisella continued, “Our electricity cost reduction initiative with Pele is in-line with Ontario’s “Conservation First” objective – to conserve grid electricity. Our approach is sensible for municipalities and businesses, particularly in Northern Ontario where we pay the highest electricity rates in the Province while effectively being shut out from participating in the IESO’s renewable energy procurement process.”

Pele will pursue customized, behind-the-meter electricity generation, first with Elliot Lake, focusing on utilizing the City’s extensive existing infrastructure. Pele foresees applications for natural gas-fired electricity generation, including combined heat and power technologies to reduce reliance on the more costly electricity supplied by the Provincial power grid.

Pele is advancing economic modeling and systems design on a site-by-site basis, working with the City to provide behind-the-meter solutions. The City will benefit by locking into long-term, lower-cost electricity at no upfront cost. Pele will benefit from sources of new, long-term sustainable revenue. Pele intends to use the power sources that provide the most sustainable benefits, focusing on natural gas, including combined heat and power systems, renewable sources, and energy storage systems.

About Pele

Pele Mountain Resources is focused on the sustainable development of power generation, energy storage and mineral processing in Northern Ontario.

Pele's Eco Ridge project has unique characteristics that make it an attractive development site, including excellent regional infrastructure, strong local support, and its strategic location in Elliot Lake, Canada's only historic rare earth mining and processing camp. Pele remains committed to advancing Eco Ridge as host to Canada's first rare earth processing centre and its extensive NI 43-101 mineral resources continue to provide exposure and leverage to rare earths and uranium.

The protracted downturn in the rare earth and uranium markets has prompted Pele to expand its business model to include electricity generation and energy storage projects, beginning in Elliot Lake. Pele sees considerable opportunity in this rapidly growing sector and is working with leading energy industry professionals and suppliers of advanced technologies to provide a range of customized benefits to municipal and industrial electricity consumers in Northern Ontario.

Pele 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.

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