



Pele Mountain Forms Subsidiary for Energy Projects, Proposes Corporate Restructuring and Name Change

Trading Symbol: TSX Venture: **GEM**
Shares Outstanding: 209,996,930

FOR IMMEDIATE RELEASE

February 2, 2017 – Toronto – Pele Mountain Resources Inc. (TSX VENTURE: **GEM**) (“**Pele**” or the “**Company**”) today announced the formation of a wholly-owned subsidiary, Sage Power Corporation (“**SPC**”), to advance its energy generation and storage projects (the “**Projects**”) in Northern Ontario.

In September 2016, Pele entered into a Sustainable Energy Development Agreement (the “**Agreement**”) with the City of Elliot Lake (the “**City**”). Under the terms of the Agreement, the City Council has appointed Pele, on an exclusive basis, to be the developer of energy and energy storage projects on City Lands through April 2018.

Pele President Al Shefsky stated, “With Pele’s long-standing working relationships and the presence of our flagship Eco Ridge Uranium and Rare Earth project (“**Eco Ridge**”) in Elliot Lake, it makes good business sense for us to launch our new venture here, developing energy projects that serve the long term financial objectives of municipal and commercial electricity consumers in Northern Ontario.”

Pele’s interests in the Projects will be owned and managed within SPC, which seeks to identify, design, develop, and operate energy projects that provide smart, sustainable, customized power solutions to municipal and commercial electricity consumers with large heat and power requirements. These consumers can benefit by locking into long-term, lower-cost electricity and thermal energy at no upfront cost while Pele stands to benefit from sources of new, long-term revenue.

SPC is working with the manufacturers of advanced cogeneration systems, and a team of energy industry experts and engineers including HH Angus & Associates Limited to design and permit behind-the-meter combined heat and power (“**CHP**”) cogeneration solutions that reduce costs, increase reliability, and conserve energy supplied by the Provincial power grid.

CHP provides efficient electricity generation that captures heat to provide useful thermal energy that would otherwise be lost as waste from the generator. CHP generators can double the energy efficiency from each unit of fuel consumed, compared to electricity-only gas fired generators, reducing costs and carbon emissions while also improving energy security and reliability.

Mr. Shefsky added, “In addition to behind-the-meter CHP generation in Elliot Lake and other municipalities where natural gas is available, we also seek to provide energy solutions to remote and off-grid industrial and community applications in Northern Ontario, where the use of diesel generators

inhibits growth and presents environmental challenges. With the advancement of renewable energy and smart micro grid technologies, we see opportunities to implement sustainable, reliable, cost effective alternatives to diesel or expensive extensions to existing transmission lines.”

Pele also announced today that, as its share price has traded below the TSX Venture (TSX-V) Exchange’s mandated minimum share issuance price of \$0.05 for an extended period, and in view of the recent strong increase in investor interest in uranium exploration and development companies, Management is recommending up to a 1 for 10 share consolidation at the upcoming Annual General and Special Meeting of Shareholders on March 9, 2017 (the “Shareholders Meeting”). A share consolidation is likely to improve Pele’s access to capital markets, allowing the Company to better position itself to advance its projects, including Eco Ridge.

In conjunction with the proposed share consolidation and to better reflect its expanded business model, Management is also proposing a corporate name change to Griffin Energy & Metals Ltd. (**GEM**).

The share consolidation and name change require special approval (66 2/3rds) of the shareholders of Pele present in person or by proxy at the Shareholders Meeting and TSX-V approval. For more information about the proposed share consolidation and name change please visit Pele’s website at www.pelemountain.com to view [Pele’s Letter to Shareholders](#) and [Management Information Circular](#).

About Pele

Pele’s extensive NI 43-101 uranium resources at its 100-percent owned Eco Ridge project continue to provide Pele shareholders with exposure and leverage to the price of uranium while the Company is focused on the sustainable development of local power generation and rare earth processing in Elliot Lake, 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, the former “Uranium Mining Capital of the World” and Canada’s only historic rare earth mining and processing camp.

Pele 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.

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