



Pele Mountain Provides Update on Rare Earth Processing Project in Elliot Lake

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

FOR IMMEDIATE RELEASE

February 6, 2017 – Toronto – Pele Mountain Resources Inc. (TSX VENTURE: **GEM**) (“**Pele**” or the “**Company**”) today provided an update on its rare earth processing project in Elliot Lake, Ontario. Pele remains committed to developing Canada's first rare earth processing centre at the site of its Eco Ridge Uranium and Rare Earth project (“**Eco Ridge**”) as a lower cost alternative to mine development.

Pele President Al Shefsky stated, “The continuing risk of rare earth supply disruptions, perhaps heightened by the recent American presidential election, continues to be a compelling incentive for the development of new, secure sources of rare earth supply outside of China for western nations and industrial end-users. The massive decline in rare earth prices over the past six years has not alleviated supply risk but has actually increased it by discouraging investment in new production that is needed for the longer term. We believe our strategy of processing imported monazite has excellent potential to achieve timely, secure, scalable, and relatively low cost rare earth production in Canada.”

High rare earth grades in monazite allow for substantial production, especially magnet metals neodymium and praseodymium, from relatively low tonnage while processing-only operations sharply reduce CAPEX and time-to-market compared to development of a new hard rock mine. Historically, commercial monazite processing has been achieved by several companies and has provided a primary source of rare earths. The metallurgical techniques for processing monazite are well established, allowing for reduced technical risk and shortened ramp-up times.

Pele has received monazite bearing mineral sands, delivered from current mining operations of a potential supplier, for characterization and metallurgical test work and is receiving technical support from Enirgi Group, a privately held specialty chemicals and diversified industrials company headquartered in Toronto. Enirgi owns and operates a portfolio of diversified assets and operations focused on power storage, chemicals, resources, innovation, environmental services and agriculture.

Pele’s Chairman, Wayne Richardson, is the President and Chief Executive Officer of Enirgi Group.

Enirgi Group’s Innovation Division has a team of highly qualified mineral processing engineers, which will work with John Goode, FCIM, FAusIMM, ARSM, P.Eng., an independent metallurgical engineer and Qualified Person under NI 43-101 with significant expertise in rare earth processing, to assist in the preparation of an economic model for the project, which will be used to support marketing efforts to enter into long-term off-take agreements with major end users, primarily of the magnet metals. Determination

of CAPEX and OPEX for rare earth production in Elliot Lake will provide the basis for pursuing long-term, stable-priced, off-take agreements that can support development of reliable, sustainable production of rare earths for major end users.

Pele has identified and engaged multiple potential monazite suppliers regarding long term off-take arrangements, initiated discussions with government entities regarding the various regulatory requirements for monazite transportation and facilities development, and retained a logistics expert to assist with arranging the importation and transportation of monazite.

Pele's objective is to produce separated, high-purity, rare earth oxides which have much greater value than mixed rare earth concentrates and can be used in downstream value added processing and manufacturing, and a Canadian-based rare earth supply chain. The development of rare earth processing facilities in Elliot Lake can also support the development of Eco Ridge as market conditions improve.

Elliot Lake is an ideal location to host a rare earth processing centre. It is Canada's only proven historic rare earth mining and processing camp and has outstanding regional infrastructure including highways, railway, electricity, natural gas, airport, deep-water ports, and a qualified workforce. The region hosts vast undeveloped rare earth and uranium resources, such as those at Eco Ridge. [The City of Elliot Lake supports Pele's monazite processing strategy and has said so publicly.](#)

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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