



Pele Mountain Provides Business Update

TSXV: **GEM**

Shares Outstanding: 209,996,930

FOR IMMEDIATE RELEASE

July 5, 2017 – Toronto – Pele Mountain Resources Inc. (TSXV:**GEM**) (“**Pele**” or the “**Company**”) today provided a business update on the Company’s capital restructuring and its decision to proceed with the non-binding letter of intent (“**LOI**”) announced on June 1, 2017.

Pele has engaged with all of its significant creditors regarding the capital restructuring and a potential ‘equity for debt’ conversion (the “**Shares for Debt Transactions**”), and overall has received supportive responses. The final terms for any conversion will be subject to TSX Venture Exchange (“**TSXV**”) approval and further information will be provided about the Shares for Debt Transactions in a future news release.

As announced in June, Pele has entered into a non-binding LOI with Enirgi Group Corporation (“**Enirgi Group**”) as a new strategic direction for the Company. Within North America, Enirgi Group is actively developing opportunities for the application and licencing of its direct extraction process technology (“**DXP Technology**”) which produces lithium directly from raw, unconcentrated brine in under 24 hours. Under the terms of the LOI, Pele will become the vehicle for this opportunity, in exchange for a controlling interest by Enirgi Group. Preparation of the various agreements between Pele and Enirgi Group is underway. These agreements will initially cover management services, technology rights, and marketing rights. The Company expects to enter into a definitive agreement with Enirgi Group and provide further disclosure pursuant to TSXV policies on or about July 31, 2017.

A package of documents containing the capital restructuring plan, the agreements that clearly set out the relationship between Pele and Enirgi Group, and the terms of the additional share issues will be presented to the TSXV for review. If shareholder approval is a condition of final TSXV approval of the capital restructuring plan, including the Shares for Debt Transactions, the transaction with Enirgi Group, or any other transactions, Pele will call a Special Meeting of its shareholders to consider and approve the transactions.

The previously announced consolidation of common shares on the basis of 10 pre-consolidation common shares for each one post-consolidation common share (the “**Consolidation**”) was put on hold following the halt in the stock to allow progress on the capital restructuring plan. Given the progress of the work to date, the Company may complete this consolidation whilst the stock is under a trading halt. The

Consolidation was previously approved by its shareholders at its annual and special meeting held on March 9, 2017. The Consolidation will reduce the number of issued and outstanding common shares of the Company from 209,996,930 pre-Consolidation common shares to approximately 20,999,693 post-Consolidation common shares. The Company's trading symbol will remain "GEM" on the TSXV.

About Pele

Pele Mountain Resources Inc. has a strategic relationship with Enirgi Group Corporation to market and develop Enirgi Group's proprietary DXP Technology in North America. The Company is seeking to partner with holders of lithium brine resources to unlock value through the application of the technology.

Pele shares are listed on the TSX Venture Exchange under the symbol "**GEM**".

For further information please contact Rob Scargill, Interim-CEO, at (800) 315-7353, or visit the Pele website at www.pelemountain.com.

Forward-Looking Statements

Certain statements contained in this news release constitute forward-looking information. These statements relate to future events or future performance, including statements as to the following: the outcome of a strategic review by the Board and any new direction in business, the entering into a relationship agreement with Enirgi Group, including any strategic cooperation relating to Enirgi Group's DXP technology or in the lithium industry or the entering into of a management services agreement with Enirgi Group; the settlement of any of Pele's indebtedness; the future use, application or licensing of Enirgi Group's DXP Technology in North America or elsewhere. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on Pele's current belief or assumptions as to the outcome and timing of such future events. Whether actual results and developments will conform with Pele's expectations is subject to a number of risks and uncertainties including factors underlying management's assumptions, such as risks related to board approvals, regulatory or shareholder approvals (if required) for any transaction, negotiation of definitive documentation; risks relating to the closing of acquisitions and settlements of debts with creditors; risks relating to the development and marketing of new processing technologies; and financial risks relating to a lack of operational cash flow. Actual future results may differ materially. The forward-looking information contained in this release is made as of the date hereof and Pele is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein. For more information see the Company's disclosure documents on SEDAR at www.sedar.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.