

TORONTO, ONTARIO--(Marketwired - Mar 30, 2015) - [Pele Mountain Resources Inc.](#) (TSX VENTURE:GEM) (OTCQX:GOLDF) ("Pele" or the "Company") announced today that it has entered into a Memorandum of Understanding ("MOU") with Sheng Kang Ning (Shanghai) Mining Investment Co. Ltd., ("SKN") to jointly pursue the opportunity of developing rare earth processing facilities at Pele's Eco Ridge property in Elliot Lake, Ontario (the "Eco Ridge Property").

SKN is a foreign investment platform, and 90-percent owned subsidiary, of Shenghe Resources Holding Co. Ltd., ("Shenghe") (SH 600392), a global leader in rare earth mining, processing and downstream chain. SKN & Shenghe possess proprietary technologies for environmentally sustainable, low cost, rare earth processing and have the expertise and experience to design, build, and operate rare earth processing facilities.

The MOU sets out the terms under which Pele and SKN (the "Parties") will work together, subject to the approval from relevant Chinese and Canadian government authorities, on an exclusive basis within Canada, to negotiate a definitive agreement (the "Definitive Agreement") to establish a joint venture for the sustainable development and operation of a state-of-the-art monazite processing facility and downstream value added rare earth processing facilities, to be located on Pele's Eco Ridge Property. (Neither party shall be under any restriction with respect to carrying on such business outside Canada.)

Under the MOU, the Parties will negotiate a Definitive Agreement that incorporates the following proposed terms, among others:

- a stated purpose to maximize financial benefits to both Parties through the sustainable development of continuous, reliable rare earth processing operations;
- The JV is to be owned 50.1-percent by SKN and 49.9-percent by Pele;
- SKN will use its processing technologies for the JV to process monazite concentrate (subject to approval of Chinese authorities) and Pele will lease a portion of its lands to the JV for construction of the Project, both on a commercial basis;
- SKN (or qualified third parties nominated by SKN) shall be retained by the JV to design and construct the processing facilities.
- The Definitive Agreement will set out the duties of SKN as operator of the processing facilities;

Pele President Al Shefsky stated, "We are delighted to enter into this MOU with SKN. The MOU represents a strong endorsement for Pele's monazite processing strategy, and is an important first step to bringing the experience and expertise of a proven global leader in rare earth processing to our Project in Elliot Lake, Ontario."

The MOU remains non-binding other than the provisions relating to confidentiality, exclusivity, jurisdiction and certain other standard clauses, which are intended to be binding. Unless the Parties agree to extend the MOU, it will automatically expire in its entirety, if the Parties do not satisfy and waive their respective due diligence and other conditions and negotiate and execute the Definitive Agreement on or before September 30, 2015.

#### About Pele

Pele Mountain Resources is focused on the sustainable development of a low cost, early to market, critical rare earth supply by processing high-grade rare earth bearing monazite in Elliot Lake, Ontario, at the same location as its Eco Ridge Mine Rare Earth and Uranium Project. With excellent regional infrastructure and strong local support, Elliot Lake is an ideal location for production of a safe, secure, and reliable supply of critical rare earths and uranium. Pele shares are listed on the TSX Venture Exchange under the symbol "GEM" and on the OTCQX under the symbol "GOLDF".

#### About SKN & Shenghe

Sheng Kang Ning (Shanghai) Mining Investment Co., Ltd. ("SKN") is a mining investment company registered in China (Shanghai) Pilot Free Trade Zone, focusing on worldwide mining investment and financing, mining consultancy, geological exploration and mining development. SKN is 90% held by Shenghe Resources Holding Co., Ltd. ("Shenghe"), serving as its investment platform and technical consulting center. Shenghe is a fully integrated rare earth production company, listed on Shanghai Stock Exchange (600392.SH), focusing on rare earth mining, beneficiation, metallurgy, separation, downstream processing and marketing. As a leading rare earth player, Shenghe is actively looking for cooperation opportunities all over the world by means of technical assistance, equity investment, off-take arrangement etc.

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.

Shares Outstanding: 179,081,549

## Contact

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