

Mountain Lake Resources Inc.: a Review of Current Projects in South Africa and Atlantic Canada¹

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Mountain Lake Resources currently has three projects with NI 43-101 compliant resources. These projects include an alluvial diamond producer in South Africa, as well as gold and base-metal projects in central Newfoundland. Two promising grassroots gold properties, one in New Brunswick and one in southern Newfoundland, round out Mountain Lake's active projects.

Mountain Lake owns 16.07% (5,350,000 shares) of Etruscan Diamonds Limited (EDL), Etruscan Resources Inc. owns 52.07% and third parties own the remaining 31.86%. EDL is currently ramping up mining operations on its Blue Gum Project to full production in preparation for an IPO. Proceeds from the IPO will be used for expansion of the Tirisano Plant from its current capacity of 100 000 m³ to 260 000 m³ per month.

The Valentine Lake gold property hosts a NI 43-101 (Jan. 2005) compliant inferred mineral resource of 1 314 780 tonnes grading 10.50 grams gold per tonne (g Au/t). Cutting assays to 58 g Au/t the average grade is 8.51 g Au/t, for a total estimated mineral resource of 443,000 ounces of gold at the uncut grade and 359,000 ounces of gold at the cut grade. Drilling will focus on expanding the deposit as well as getting detailed information in the top 100 m of the deposit where limited information currently exists due to the physical presence of Leprechaun Pond. This will increase the understanding of the distribution and grade of gold in the deposit and enable targeting of large tonnage sampling in the future.

The latest resource calculation (July 2008) estimates that the Bobby's Pond Deposit contains an indicated resource of 1 095 000 tonnes of 0.86% Cu, 4.61% Zn, 0.44% Pb, 16.6 g Ag/t, and 0.2 g Au/t in addition to an inferred resource of 1 177 000 tonnes of 0.95% Cu, 3.75% Zn, 0.27% Pb, 10.95 g Ag/t and 0.06 g Au/t. The deposit comprises five mineralized lenses within a 60 m width and four of the lenses are open to depth at >1% copper equivalent mineralization. The lenses are oriented nearly vertical, with thickness ranging from 2 m to 20 m. Preliminary metallurgical testing is in progress so that the value of the deposit can be determined more accurately. With this information in hand, Mountain Lake will be in a position to determine the best path forward for this deposit.

Two grass roots gold properties have been acquired in the past year. Soil sampling and follow-up deep overburden sampling have identified a strong gold target for drilling on the Fall's Grid property near Bathurst, N.B. Mountain Lake acquired the Little River property near the south coast of Newfoundland from two prospectors who have identified a several kilometre long trend of new gold showings within an area of several tens of kilometres that was previously known to host gold mineralization. Sampling from numerous outcrops and floats have indicated several concentrations in the 10 to 25 g Au/t range, with some samples over 100 g Au/t. Soil sampling over a newly established 9 km long grid, as well as prospecting and silt sampling over other areas of the extensive claim package, will take priority during the early exploration efforts.

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