

Valentine Lake and Glover Island – Two of the Most Prospective Gold Plays in Newfoundland

Gary Woods¹

Mountain Lake is currently involved in three gold projects on the island of Newfoundland: Valentine Lake where ~11,000 m of drilling have been completed in 2010 with excellent results, the recently acquired Glover Island property, and the Little River project where drilling will take place in the Fall of 2010.

The Valentine Lake gold property hosts the Leprechaun Deposit, a NI 43-101 (Jan. 2005) compliant inferred mineral resource of 1 314 780 tonnes grading 10.50 grams per tonne (g/t) gold. A lower cut off of 5 g/t Au was used for this calculation, which was based on an underground operation when gold was \$US 425 per ounce, for a total estimated mineral resource of 443,000 ounces. Marathon PGM is currently operating the project and will become 50:50 partners in the project once their earn-in requirements are met. A new resource calculation using open pit parameters is due to be completed prior to year end. The Leprechaun Deposit is situated at kilometre 3 of the property's overall geological structure, which has been delineated by soil geochemical surveys to extend for ~30 km in a north-easterly strike.

Mountain Lake acquired the Glover Island property in October 2010 from New Island Resources Inc. Over 20 prospects have been identified to date over a strike length of approximately 7.5 km and several are undrilled. The property hosts historic resources and excellent exploration potential. Most of the drilling on the resources took place before 1995 (pre NI 43-101 regulations) and only eight drillholes have been drilled on the property since then. No drilling program has taken place with gold over \$US 400 and now, with gold over \$US 1000, the project warrants an aggressive exploration program.

¹Mountain Lake Resources Inc., Suite 1700, 1159 Lower Water St., Halifax, NS B3J 3N2