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## **News Release**

# **Etruscan Diamonds Production Surpasses US\$3.3 Million at Blue Gum Project**

*Mountain Lake holds a 16.2% ownership interest (5,250,000 shares) in Etruscan Diamonds*

**Halifax, Nova Scotia, June 13, 2008 – Mountain Lake Resources Inc. (TSX-V: MOA) (“Mountain Lake” or the “Company”)** is pleased to announce that significant progress is being achieved by Etruscan Diamonds Ltd. (“Etruscan Diamonds”) on the Blue Gum Diamond Project located in the alluvial diamond district of Ventersdorp in South Africa. Operations continue with 5,465 carats recovered from 209,231 cubic meters of gravel with an average rough tender value of US\$613 per carat, aggregating US\$3,350,000 for the period December 2007 to May 2008. Delivery and installation of the new pre-screener unit by the end of this month will improve plant throughput by increasing pre-screening capacity from 1,000 cubic meters per day to 10,000 cubic meters per day. The Blue Gum pre-feasibility study for expanded production to 260,000 cubic meters per month is expected by the end of August. This study will incorporate an updated resource estimate that will take into account in-fill and deeper drilling that should provide for conversion of a higher percentage of inferred resource into the indicated resource classification. Exploration planning is focused on additional sinkhole targets outside of the Blue Gum project area.

Kevin MacNeill, President of Etruscan Diamonds Limited., stated:

*“We are pleased with the way operations are currently ramping up at the Blue Gum Project. We are looking forward to completing the pre-feasibility study which will lay the groundwork for expanding our present processing facilities from a 100,000 cubic meter per month capacity to 260,000 cubic meters per month.*

*However, what is most exciting to me about the Blue Gum Project is the potential for additional resource beyond that identified in the National Instrument 43-101 Report prepared in January of this year by Dr. Tania Marshall of Explorations Unlimited. As Dr. Marshall states in her report, a large area of exploration potential exists on the Blue Gum Project beyond the resource that has been identified to date. This includes the gravels below and adjacent to the existing defined resource as well as the gravels located in other sink holes located on the Blue Gum property. And these gravel bearing sink hole features are not limited to the Blue Gum property. We have already identified sink hole features on other properties which appear to be larger in size than the current sink holes being mined on Blue Gum. Over the coming months we will continue to explore and drill these sink hole features to determine the size of the gravel content.”*

### Blue Gum Operations Update

During the first quarter of 2008, Etruscan Diamonds recommenced mining and processing operations at the Tirisano Diamond Mine located on the Blue Gum property. The gravel from the mine is being processed at the pre-existing Tirisano DMS (dense media separation) plant, which Etruscan Diamonds regained control of late in 2007, and through four 16 foot pan plants which have recently been installed near the DMS plant. The objective is to achieve a monthly throughput of 100,000 cubic meters of gravel per month from the two facilities with 40,000 cubic meters coming from the DMS plant and 60,000 cubic meters from the pan plant.

Production at the Tirisano Diamond Mine for the period December 2007 to May 2008 was 209,231 cubic meters yielding 5,465 carats for an overall grade of 2.61 carats per hundred cubic meters and a rough tender average value of \$613 per carat. A total of 3,880 carats have been sold on rough tender and, consistent with the objective of creating a vertically integrated company, 763 carats were delivered to Etruscan Diamonds' strategic partner, African Romance of South Africa, for cutting and polishing. African Romance is the first wholly Black-owned South African diamond cutting and polishing company and recently opened its new diamond cutting and polishing facility in Johannesburg. Cutting, polishing, certification and sale of the Etruscan Diamond stones is presently underway. Based on industry experience, we believe diamond cutting and polishing can add substantial value to the rough tender diamond prices.

The ramp up at the Tirisano DMS plant and the new pan plants is continuing and the facility is targeted to achieve the forecast production rate of 100,000 cubic meters per month in July. To ensure uninterrupted power supply for operations, Etruscan Diamonds purchased a 2.2 megawatt generator to provide backup power availability for the entire mine site when grid power is unavailable. This is scheduled to be delivered to site by the end of June. A commercial scale pre-screening unit will also be installed this month. Current pre-screening capacity is limited to 1,000 cubic meters per day which limits plant throughput. The installation of the larger pre-screening unit will increase the pre-screening capability to 10,000 cubic meters per day. This installation is critical to ensuring ramp up of the pan plants to the steady state production rate of 60,000 cubic meters per month. The forecast production rate of 100,000 cubic meters per month is anticipated to recover over 2,500 carats per month.

### Blue Gum Resource and Expansion

Etruscan Diamond is presently completing a pre-feasibility study on the viability of expanding the operations on the Blue Gum Project from the forecast production rate of 100,000 cubic meters per month to a monthly rate of 260,000 cubic meters. The pre-feasibility study is being led by MDM Engineering of South Africa.

In early 2008, an updated diamond resource estimation for the Blue Gum Diamond Project was completed by Dr. Tania Marshall of Explorations Unlimited. The updated National Instrument 43-101 compliant report estimated that the Blue Gum Project contains 20.5 million cubic meters of indicated diamond resources and 17 million cubic meters of inferred diamond resources at grades ranging from 1.77 to 2.85 carats per hundred cubic meters. This independent resource was based on drilling completed to the end of 2007 and relied primarily upon drilling from surface which was often limited by drill capacity to depths of less than 100 vertical meters. Many holes

therefore ended in gravel and never reached bedrock making volume estimations of gravel at depth uncertain. Of the 2,426 holes in the Blue Gum project database, 626 holes (25%) were unable to reach bedrock and ended in gravels. Etruscan Diamonds is presently undertaking additional deeper drilling to better define the bedrock interface and quantify the gravel volumes in these areas. In-fill drilling will also allow for more of the existing inferred resource to be converted to indicated resource that can be utilized for pit optimizations to determine mineable reserves. The results from this additional drilling will be included in an updated resource estimate for the Blue Gum Project expected to be completed in August 2008.

On successful completion of the pre-feasibility study, Etruscan Diamonds intends to undertake an initial public offering together with a stock exchange listing in order to finance the expansion. Originally it had been planned that the IPO would be completed in the spring of 2008 however in light of current market conditions, this has been delayed until the fall assuming more favourable market conditions. This decision to delay the financing will allow Etruscan Diamonds to include the results of the more recent drilling and updated resource calculation in the pre-feasibility study which is now scheduled to be released in late August 2008.

#### Other Regional Exploration

In January 2008, Etruscan Diamonds was successful in securing prospecting permits over an additional 1,530 square kilometers in the Ventersdorp District. There are several sink holes features that have been identified to date on these permits, some of which appear larger at surface than the current Blue Gum Project and have been designated as priority exploration targets (See Figure 1). The most advanced target is a project called Twee Beffels Geschiet (Shot Two Buffalo's) that is currently being explored and prepared for drilling. Surface owner access rights are presently being secured in order to enable Etruscan Diamonds to carry out exploration to determine gravel content of the other sink holes.

#### Ownership of Etruscan Diamonds Ltd.

Mountain Lake holds a 16.2% ownership interest (5,250,000 shares) in Etruscan Diamonds, Etruscan Resources Inc. holds a 53.7% interest, and other third parties hold a 30.1% interest. Etruscan Diamonds holds a 74% interest in the Blue Gum Project with the remaining 26% held by Etruscan Diamond's Black Economic Empowerment partner, Mogopa Minerals (Pty) Ltd.

Robert Harris P. Eng and Vice President of Operations of Etruscan Resources Inc. is the Qualified Person overseeing Etruscan Diamond's projects in South Africa, and has reviewed and approved this press release.

#### About the Mogopa Community

The Mogopa community, through their trust, created the company Mogopa Minerals (Pty) Ltd. to oversee all mining related interests for the community. The community has about 350 families and is located in the vicinity of the mining area. Etruscan Diamonds and the Mogopa community have shared a long positive working relationship. This relationship made it possible for the creation of the current sustainable farming projects on community land.

**About Mountain Lake Resources Inc.**

Mountain Lake is a diversified junior mining and exploration company whose corporate strategy is to build shareholder value through the exploration and development of economically viable mineral properties. Active projects include: a 100% interest in the Bobby's Pond Base Metal Project, and an option to earn up to 75% interest in the adjacent Cornerstone base metal property; the Valentine Lake Gold Project, in which Richmond Mines Inc. has acquired a 70% interest; and a 16.2% equity stake in Etruscan Diamonds Ltd., a producing diamond miner in South Africa, which is currently preparing for an initial public offering. For more information visit: [www.mountain-lake.com](http://www.mountain-lake.com)

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ON BEHALF OF THE BOARD OF DIRECTORS

*s/“Gary Woods”*

President & CEO

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