



Mountain Lake Resources Inc.

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News Release

Mountain Lake Provides Year-End Corporate Update

Highlights include: Intersection of a new massive sulphide zone near the Bobby's Pond Deposit; very encouraging initial exploration results on the Little River gold prospect; and strengthening of the Company's balance sheet

Halifax, Nova Scotia, January 7, 2009 – **Mountain Lake Resources Inc. (TSX-V: MOA)** ("Mountain Lake" or the "Company") is pleased to provide a year-end update on its projects and plans for 2009.

Adapting to the current global economic turmoil, the Company took a hard-lined approach in its exploration and development efforts in the later part of 2008 to evaluate its projects and prioritize the Company's best opportunities for growth in 2009. Additionally, the Company strengthened its balance sheet by eliminating \$2,000,000 worth of debt.

Status of Projects

Bobby's Pond Deposit / Cornerstone Option (base metals) – Central Newfoundland

Mountain Lake reported the results of a National Instrument 43-101 ("NI 43-101") compliant resource update for the Company's 100% owned Bobby's Pond deposit, which is located approximately 45 kilometres (kms) west by road of Teck Cominco's [Duck Pond mine/mill complex](#). The independent resource update, prepared by Hrayr Agnerian of Scott Wilson Roscoe Postle Associates Inc. as of July 31, 2008, includes an additional 16 drill holes since the previous resource calculation (January 15, 2007) and 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 gpt Ag, and 0.2 gpt Au in addition to an inferred resource of 1,177,000 tonnes of 0.95% Cu, 3.75% Zn, 0.27% Pb, 10.95 gpt Ag and 0.06 gpt Au. The resource update included a 118% increase in contained copper in the inferred category from 11.3 million pounds (lbs) in the previous estimate to 24.6 million lbs; and a 45% increase in contained zinc in the inferred category from 67.3 million lbs to 97.3 million lbs (see: [NI 43-101 Bobby's Pond Technical Report](#)).

In October 2008, Mountain Lake was granted a five year extension from the Department of Natural Resources of Newfoundland and Labrador to the provision in the terms of the Bobby's Pond deposit mining lease, which required the property to be placed into production by July 2009. Production from the deposit must now commence by July 2014, and the lease term continues until July 2029.

Mineralization on the Bobby's Pond deposit remains open at depth, however, due to the increasing cost associated with drilling +500 metre (m) holes, our 2008 exploration plan focused

on finding new, near surface, mineralization in proximity to the Bobby's Pond deposit on the adjacent claims optioned from Cornerstone Capital Resources Inc. A recent drill program on the Cornerstone property encountered a 0.6 m massive sulphide zone of 7.0% Zn, 0.15% Cu, 4.7% Pb, 80.6 ppm Ag and 1051 ppb Au within a 3.1 m zone of 2.6% Zn, 0.12% Cu, 0.93% Pb, 38.9 ppm Ag, and 251 ppb Au in drill hole CS-08-03. This mineralized zone is significant in that it represents a new area of massive sulphide deposition in close proximity to the Bobby's Pond deposit. Further drilling will be required to determine the significance of this new zone.

Despite the downturn in base metals prices, the Company feels exploration dollars are well spent evaluating the Cornerstone property to ensure that it is sufficiently explored while meeting the exploration commitments of the option agreement. In that regard, Cornerstone has generously agreed to extend the terms of our option agreement by one year. Shares of Mountain Lake will still be granted to Cornerstone in keeping with the original option agreement. Based on the results of the 550 m drill program just concluded, a future drilling plan is now being developed. Mountain Lake would also like to extend its gratitude to the Newfoundland and Labrador Department of Natural Resources, Mines and Energy Division, for contributing to the costs of this exploration program through the Junior Exploration Assistance grant program.

Etruscan Diamonds Limited – South Africa

The Company's minority owned subsidiary Etruscan Diamonds Ltd. ("Etruscan Diamonds") announced on December 12, 2008 ([see news release](#)) that, due to the recent drop in rough diamond prices, it is assessing various options for the Blue Gum Alluvial Diamond Project including possible alternatives for financing to provide sustaining capital for operations or a potential temporary suspension of production until such time as market conditions improve. The global economic downturn, coupled with the seasonal slowdown in the rough diamond market, has placed severe pressure on rough diamond prices which have dropped as much as 60% from those seen earlier in the year.

While the current uncertainty in the rough diamond market is an obvious set back to the Blue Gum Project, recent production statistics continue to confirm the geological model concerning grade and volumes. Further, the NI 43-101 compliant independent resource update, prepared by Dr. Tania Marshall of Explorations Unlimited as of June 30, 2008, estimates that the Blue Gum Project contains 25.5 million cubic meters (m³) of indicated diamond resource --approximately a 24% increase in the indicated resource from the previous resource estimate of December 2007-- in addition to 15.3 million m³ of inferred diamond resource at grades ranging from 1.77 to 2.85 carats per 100 m³ of gravel (see [NI 43-101 Blue Gum Technical Report](#)).

Mountain Lake owns 13.07% (4,350,000 shares) of Etruscan Diamonds, Etruscan Resources Inc. owns 52.07% and various third parties own the remaining 34.86%. Robert Harris, P.Eng., Vice President of Operations of Etruscan Resources Inc., is the Qualified Person overseeing production and development for Etruscan Diamonds in South Africa. Additional information is expected from Etruscan Diamonds later this month.

Falls Grid (gold) – Northern New Brunswick

Optioned from local prospectors in December 2007, the Company's exploration in 2008 focused on looking for new gold mineralization within the carbonate – fuchsite alteration zone, which was known to extend for over 4 km across the property. The soil sampling survey identified areas of high gold and arsenic and follow up work consisted of collecting samples from the

overburden/bedrock interface using a portable motorized sampler in the areas of the highest gold values. Five drill holes were targeted on gold anomalies generated from the deep overburden sampling program. Two holes contained low levels of gold mineralization with the best zone containing 1.29 gpt Au over a 4 m width. Consequently, and in keeping with the Company's efforts to prioritize its best opportunities for growth, the property was returned to the Optionors prior to the first anniversary date of the option agreement.

Little River (gold) - South Coast of Newfoundland

Optioned from local prospectors in September 2008, the Company's initial results from exploration efforts on the Little River gold prospect have been very encouraging. Exploration has focused on establishing a control grid for a soil geochemical survey. Mineralized float and subcrop on the property exhibit a strong gold – arsenic relationship and this is evident in the soil anomalies. These anomalies are located in areas where little or no prospecting has been done and are located outside of the areas of interest that earlier prospecting campaigns had identified. Well defined gold – gold/arsenic anomalies, greater than one kilometer long, occur in the northern and southern portions of the newly established grid (see [Little River maps](#) on the Mountain Lake website for detail). No historic trenching or drilling has taken place in these areas and they will be the focus of the 2009 exploration program.

Valentine Lake Project (gold) – Central Newfoundland

The Valentine Lake Property's Leprechaun Pond deposit hosts a NI 43-101 compliant inferred mineral resource of 1,314,780 tonnes grading 10.50 grams per tonne (g/t) gold. Cutting assays to 58 g/t gold, the average grade is 8.51 g/t gold, 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. The resource estimate of the Valentine Lake property presented in the NI 43-101 Technical Report dated January 12, 2005 was performed by Larry Pilgrim, P. Geo. a Qualified Person (see: [NI 43-101 Valentine Lake Technical Report](#)).

Project development efforts this year focused on establishing a road and upgrading existing roads totaling 40 km to provide access to the Leprechaun Pond deposit. The road was completed to within 500 m of the deposit and is expected to be finished this Spring. The road will eliminate the need for helicopters during future exploration programs and provide access for heavy equipment needed for large tonnage sampling in the future. The road will also provide access to the property's 25 km strike length and the Valentine East prospect located approximately 13 km NE of the Leprechaun Pond deposit.

The Valentine Lake gold project is a joint-venture with Richmond Mines and, consequent to Mountain Lake's exercise of the option to acquire title to the Property from Xstrata (see news release of [March 27, 2008](#)), Richmond and Mountain Lake own 70% and 30% of the project, respectively. Mountain Lake is the field operator on the project and later this quarter will be proposing the next phase for the 2009 drilling program focusing on resource tonnage expansion opportunities.

Financial Transactions

In November 2008, Mountain Lake exercised its right to convert \$2,000,000 worth of interest bearing Convertible Notes (the "Notes"). The Notes bore interest at 7% per annum and were convertible into 1,000,000 common shares of Etruscan Diamonds, a corporation incorporated

under the Federal laws of Canada in which the Company holds a minority interest, at a conversion price of \$2.00 per share of Etruscan Diamonds. All accrued interest has now been paid and the 1,000,000 shares of Etruscan Diamonds have been delivered to the noteholders. The Company owns an additional 4,350,000 shares of Etruscan Diamonds, all of which are unencumbered.

The conversion of the Notes was completed in advance of the Company's November 30 year-end and the Company has no debt other than current trade payables.

Mountain Lake President and CEO Gary Woods commented, "The Company is in good shape to weather the current market conditions and our emphasis in 2009 will be on advancing our existing gold projects and on the evaluation and possible acquisition of additional gold projects. The price of gold is holding up well in Canadian dollar terms through this difficult period and we expect it will continue to do well in the future."

About Mountain Lake Resources Inc.

Mountain Lake Resources Inc. (TSX-V: MOA) 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. Current projects include: a 100% interest in the Bobby's Pond base metals project (Newfoundland) as well as an option to acquire initially a 51% interest in the surrounding claims from Cornerstone Resources; a 30% interest in the Valentine Lake gold project (Newfoundland), a joint venture with Richmond Mines Inc.; a 13.07% stake in Etruscan Diamonds Limited, an alluvial diamond operation (South Africa); and the Little River (Newfoundland) gold exploration property. *For more information visit:* www.mountain-lake.com

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ON BEHALF OF THE BOARD OF DIRECTORS

s/“Gary Woods”

President & CEO

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