



**Mountain Lake Resources Inc.**

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## **News Release**

# **Etruscan Diamonds Completes Acquisition of Tirisano Mine in South Africa**

**Halifax, Nova Scotia, October 9, 2007 – Mountain Lake Resources Inc. (TSX-V: MOA) (“Mountain Lake” or the “Company”)** is pleased to announce that Etruscan Diamonds (Pty) Ltd. (“Etruscan Diamonds”) has completed the acquisition from Mvelaphanda Exploration (Pty) Ltd. (“Mvelaphanda Exploration”) of a 50% interest in the Tirisano Diamond Mine located in the Ventersdorp Alluvial Diamond District of South Africa. Etruscan Diamonds owns the remaining 50%. The Tirisano Diamond Mine is located adjacent to the Hartbeestlaagte property where Etruscan Diamonds is presently undertaking a pre-feasibility study.

The acquisition of control of the Tirisano Diamond Mine operation together with the surrounding Nooitgedacht property will allow Etruscan Diamonds to consolidate the development of the diamond resources on the Nooitgedacht property with those on its adjacent Hartbeestlaagte and Zwartrand properties. The project on the combined properties will be known as the “Blue Gum Project”. See figure 1.

### **BEE Partner and IDC Financing**

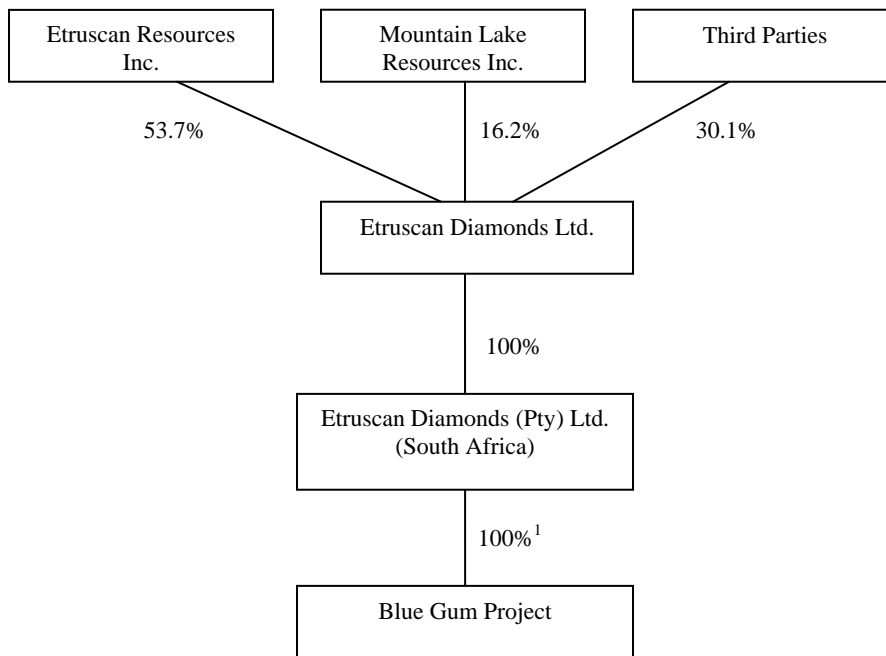
Etruscan Diamonds also announced today that it has reached an agreement in principle with Mogopa Minerals (Pty) Ltd. (“Mogopa”) to transfer a 26% interest in the Tirisano Diamond Mine to Mogopa in consideration for the payment of R26 million. Mogopa will replace Mvelaphanda Exploration as the entity providing the black economic empowerment for the Tirisano project as required by South African mineral legislation. Mogopa is also Etruscan Diamonds’ Black Economic Empowerment partner on the Hartbeestlaagte and Zwartrand properties in which it already owns a 26% interest. Mogopa has accepted an indicative term sheet from the Industrial Development Corporation of South Africa Limited (“IDC”) to finance Mogopa’s acquisition of the 26% interest in the Tirisano Mine Joint Venture. Etruscan Diamonds has also accepted an indicative term sheet from the IDC to provide an additional R25 million to fund additional working capital requirements to reactivate the Tirisano Mine. These financings have been approved by the IDC’s credit committee and closing is expected to occur in October.

### **Acquisition Agreement Terms**

Mvelaphanda Exploration transferred its 50% interest in the Tirisano Diamond Mine to Etruscan Diamonds in consideration for the payment of ZAR25 million (approximately CDN\$ 3.6 million) and the delivery to Mvelaphanda Exploration of 1,184,848 common shares of Etruscan Resources Inc..

Earlier this year Etruscan Resources Ltd. (TSX:EET) and Mountain Lake completed the formation of a new company named Etruscan Diamonds Limited (“EDL”) to hold their respective interests in their diamond assets in South Africa. Each of Etruscan and Mountain Lake, together with other third parties, transferred all of their interests (both debt and equity) in Etruscan Diamonds to EDL for shares of EDL.

The shares of Etruscan Resources Inc. delivered to Mvelaphanda Exploration on closing of the Tirisano acquisition were issued by Etruscan Resources Inc. to EDL in exchange for 1,810,750 common shares of EDL. EDL transferred the Etruscan shares to Etruscan Diamonds for delivery at the Tirisano closing. Prior to the acquisition of Mvelaphanda Exploration's 50% interest in the Tirisano Diamond Mine, Etruscan Resources Inc. held a 50.9% ownership interest in EDL, Mountain Lake held a 17.2% interest and other third parties held the remaining 31.9% interest. As a result of the Tirisano acquisition, Etruscan Resources Inc. now holds a 53.7% ownership interest in EDL, Mountain Lake holds a 16.2% interest and other third parties hold a 30.1% interest. The ownership structure after the completion of the Tirisano acquisition is described schematically below.



<sup>1</sup> 26% to be sold to Mogopa Minerals (Pty) Ltd. in accordance with agreement in principle described above.

### **Strategic Significance of the Acquisition of the Tirisano Diamond Mine**

Having control of the Tirisano Diamond Mine operation and surrounding Nooitgedacht property will allow Etruscan Diamonds to consolidate the development of the significant diamond resources on the Nooitgedacht property with those on the adjacent Hartbeestlaagte and Zwartrand properties.

A National Instrument 43-101 compliant independent technical report dated January 29, 2007 prepared by Dr. Tania Marshall of Explorations Unlimited estimated the in situ inferred diamond resources on the Hartbeestlaagte property to be 16.2 million cubic meters at an average grade of 3.18 carats per hundred cubic meters (approximately 500,000 carats). Contract mining, bulk sampling and drilling activities are currently underway to upgrade this National Instrument 43-101 inferred resource into the indicated category. A National Instrument 43-101 compliant independent technical report dated August 13, 2003 by RSG Global estimated the in situ indicated diamond resources on the Nooitgedacht property to be 12.3 million cubic meters at an average grade of 2.8 carats per hundred cubic meters. As a result of this

acquisition, the resource calculations on the Nooitgedacht property, where the Tirisano Mine is located, will now be updated and included as part of the pre-feasibility study now underway.

Work has commenced to restart the Tirisano plant to provide additional processing capacity for the bulk samples from the Hartbeestlaagte and Nooitgedacht properties as part of the pre-feasibility work. Upon successful completion of the pre-feasibility study, a public offering is planned together with an application for a stock exchange listing in order to advance the Blue Gum Project to full scale production.

Robert Harris P. Eng and Vice President of Operations of Etruscan Resources Inc. is the Qualified Person overseeing the diamond projects in South Africa.

### **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 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 Metal Project; the Valentine Lake Gold Project, in which Richmond Mines Inc. is earning a 70% interest; and a 16.2% stake in Etruscan Diamonds Limited, a producing diamond miner in South Africa. *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

This press release may contain certain forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements may include statements regarding exploration results and budgets, mineral reserve and resource estimates, work programs, capital expenditures, mine operating costs, production targets and timetables, future commercial production, strategic plans, market price of precious metals or other statements that are not statements of fact. Although the Company believes the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Various factors that may affect future results include, but are not limited to: fluctuations in market prices of precious metals; foreign currency exchange fluctuations; risks relating to mining exploration and development including reserve estimation and costs and timing of commercial production; requirements for additional financing; political and regulatory risks, and other risks and uncertainties described in the Company's annual information form filed with the Canadian Securities regulators on SEDAR ([www.sedar.com](http://www.sedar.com)). Accordingly, readers should not place undue reliance on forward-looking statements.

THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THE CONTENT OF THIS NEWS RELEASE.

# Etruscan Diamonds Ltd.

Figure 1  
October 9th, 2007  
Blue Gum Project

