



Mountain Lake Resources Inc.

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News Release

Etruscan Diamonds Assessing Options for Blue Gum Project

Halifax, Nova Scotia – December 12, 2008 – Mountain Lake Resources Inc. (TSX-V: MOA) (“Mountain Lake” or the “Company”) reports that, due to the severe drop in rough diamond prices, its minority owned subsidiary Etruscan Diamonds Ltd. (“Etruscan Diamonds”) announced today it is assessing various options for the Blue Gum 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.

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 was being processed through the Tirisano dense media separation (DMS) plant and through four 16 foot pan plants with the objective of achieving a monthly throughput of 100,000 cubic meters of gravel per month. The DMS has a capacity of 40,000 cubic meters and the pan plants 60,000 cubic meters per month.

In an effort to reduce costs, during the month of November Etruscan Diamonds scaled back staff and operations at Blue Gum to process 60,000 cubic meters per month through the pan plants and suspended processing at the DMS plant. Concurrently, application was made to the Industrial Development Corporation (“IDC”) for a loan of R30 million (approximately Cdn\$3.6 million) to provide Etruscan Diamonds with the required working capital to continue operations during these turbulent economic times. 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 50% from those seen earlier in the year.

Yesterday, the IDC advised Etruscan Diamonds that it would not be in a position to provide further funding to the Company at this time. The IDC indicated that its decision was not based on a negative assessment of the assets of Etruscan Diamonds but rather on the concern regarding the uncertainty of the timeframe for rough diamond price recovery. Etruscan Diamonds has a loan outstanding with the IDC in the amount of R15 million (approximately Cdn\$1.8 million) and management is now in discussions with the IDC and other creditors to restructure existing obligations. At the same time, management is assessing various operational alternatives to further reduce costs (including temporary suspension of operations) together with various financing alternatives to assist Etruscan Diamonds through these difficult market conditions.

Kevin MacNeill, President of Etruscan Diamonds stated:

“Given the current global economic climate and its impact on rough diamond prices, our near term focus is on restructuring our operations and obligations to ensure the long term viability of the Blue Gum Project.”

In the longer term, we believe that the price of rough diamonds will recover and Etruscan Diamonds will be well positioned to take advantage of such a recovery. The geological foundation of the Blue Gum Project remains strong with an indicated diamond resource that could support a +10 year mining operation at 100,000 cubic meters per month. Our recent production statistics continue to confirm the geological model concerning grade and volumes. The pan plants have been operating well and we are confident design throughputs can be achieved.”

Production at the Tirisano Diamond Mine for the three month period ending August 31, 2008 was approximately 150,000 cubic meters yielding 4,099 carats for an overall grade of 2.74 carats per hundred cubic meters and a rough tender average value of US\$589 per carat.

Production at the Tirisano Diamond Mine for the three month period ending November 30, 2008 was approximately 156,000 cubic meters yielding 4,250 carats for an overall grade of 2.70 carats per hundred cubic meters and a rough tender average value of US\$381 per carat.

As previously announced, Etruscan Diamonds received a National Instrument 43-101 compliant independent resource update on the Blue Gum Project titled *Technical Report on the BlueGum Alluvial Diamond Project (Nooitgedacht 131, Hartbeestlaagte 146 and Zwartrand 145 properties), Ventersdorp District, Republic of South Africa*, prepared by Dr. Tania Marshall of Explorations Unlimited as of June 30, 2008. This independent report estimated that the Blue Gum Project contains 25.5 million cubic meters of indicated diamond resource and 15.3 million cubic meters of inferred diamond resources at grades ranging from 1.77 to 2.85 carats per hundred cubic meters of gravel.

The Blue Gum Diamond Project is operated through Blue Gum Diamonds (Pty) Limited, which is owned 74% by Etruscan Diamonds and 26% by Mogopa Blue Gum (Pty) Limited (“Mogopa”). Mogopa is Etruscan Diamond’s Black Economic Empowerment partner for the project as required by South African mineral legislation. The Mogopa community consists of about 350 families located near the Blue Gum Diamond Project. Etruscan Diamonds and the Mogopa community have shared a long positive working relationship.

Robert Harris, P.Eng., Vice President of Operations of Etruscan, is the Qualified Person overseeing production and development in South Africa and has reviewed and approved this press release.

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, a producing diamond miner (South Africa); and options to acquire a 100% interest in the Falls Grid (New Brunswick) and Little River (Newfoundland) gold exploration properties. *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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