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News Release

Mountain Lake Announces Proposed Acquisition of New Island Resources

Combined Company will have strong portfolio of Newfoundland and Labrador based gold projects ranging from early stage exploration to production

Halifax, Nova Scotia, June 3, 2010 – Mountain Lake Resources Inc. (TSX-V: MOA) (“Mountain Lake”) and New Island Resources Inc. (TSX-V: NIS) (“New Island”) are pleased to announce that they have entered into a Letter of Intent (the “Agreement”) whereby Mountain Lake proposes to acquire New Island by way of a corporate arrangement (the “Arrangement”). The Arrangement will effectively combine the assets and liabilities of both issuers on a consolidated basis, with New Island becoming a wholly-owned subsidiary of Mountain Lake.

By the Agreement dated June 2, 2010, it is proposed that all of the shareholders of New Island will exchange their issued common shares of New Island for new common shares of Mountain Lake, on the basis of every five and one-half (5.5) shares of New Island for one (1) new share of Mountain Lake, provided that such proposed exchange ratio is non-binding and specifically subject to the completion of all due diligence investigations, confirmation by independent fairness opinions, any further negotiations based on the relative market values of Mountain Lake and New Island, and such other factors as management may consider appropriate. All convertible securities of New Island will be exchanged for convertible securities of Mountain Lake on the same basis, adjusted accordingly to reflect the final agreed share exchange ratio.

Management of each company believes that combining the assets of New Island with Mountain Lake’s will strengthen both of their financial and management capabilities, and accelerate the exploration and development of all of their properties by combining their mutual mineral property interests in Atlantic Canada. Mountain Lake will acquire New Island’s highly prospective mineral properties (more particularly described below), including its interests in the advanced stage Pine Cove property. New Island’s shareholders will benefit from the greater depth of the Mountain Lake team’s geological and mining engineering expertise, as well as an interest in Mountain Lake’s mineral exploration projects. The proposed Arrangement will also facilitate financing and further exploration and development of these projects.

“Mountain Lake’s goal is to enhance shareholder value through strategic acquisitions and this merger has the potential for us to take a significant step towards achieving that goal,” commented Gary Woods, President and CEO of Mountain Lake. “Shareholders of both companies will benefit from the combination of assets that each company brings to the other.”

Harold Wareham, President and CEO of New Island, stated: “The synergies created by the combination of the assets and strengths of both companies will enhance shareholder value.”

The combined company will have a strong portfolio of Newfoundland and Labrador based gold properties at various stages, ranging from early stage exploration all the way to production in one of the most mining friendly jurisdictions in the world (ranked 8th in the Fraser Institute’s 2010 Survey). Projects will include:

Pine Cove Gold Project:

A 70% interest in the Pine Cove Gold Deposit, which will be reduced to 40% once certain production criteria are met by Anaconda Mining Inc., who are operators of the project. Pine Cove, which is due to commence production in June, 2010, has probable mineral reserves of 2,332,676 tonnes grading 2.76 grams per tonne (g/t) gold (Au) (see resource estimate performed by Eugene Puritch P.Eng. of P & E Mining Consultants Inc. and presented in the [NI 43-101 Pine Cove Project Technical Report and Feasibility Study](#) dated March 18, 2005), which is planned to be mined at a rate of 1,000 tonnes per day. The [Pine Cove Property](#) also has additional exploration potential on which to expand the current reserves.

Valentine Lake Gold Project:

A gold exploration and development project that is controlled by Mountain Lake and will be 50% owned by Mountain Lake upon completion of the sub-option agreement with Marathon PGM Corp. The [Valentine Lake Property](#) is over 30 kilometres (km) long and to date the Leprechaun Deposit (at ~km 3 going northeast along strike) is the first defined gold resource within the highly prospective Property. The Leprechaun Deposit, has a NI 43-101 compliant underground inferred mineral resource of 1,314,780 tonnes grading 10.50 g/t gold using a 5 g/t gold minimum cut-off and a 3 m minimum width for a total estimated mineral resource of 443,000 ounces of gold (see resource estimate performed by Larry Pilgrim, P. Geo., Qualified Person, and presented in the [NI 43-101 Valentine Lake Technical Report](#) dated January 12, 2005). Currently, and as follow-up to the successful winter 2010 drill program, an 8,000 metre (m) spring/summer drill program is underway that will focus on advancing the Leprechaun Deposit towards an open pit resource and exploring the multiple gold occurrences identified along the Property’s 30 km strike length.

Glover Island Gold Property:

A gold exploration property 100% owned by New Island that is situated roughly 70 km from Mountain Lake’s Valentine Lake gold project, and is host to several significant gold prospects over an 11 km strike length. Significant drill intercepts on the [Glover Island Property](#) include 16.7 m of 5.31 g/t Au at the LPSE prospect, 10.0 m of 4.93 g/t Au at Kettle Pond South, and 8.0 m of 10.18 g/t Au at the Lucky Smoke deposit. Non NI 43-101 compliant resources have been calculated at the LPSE and Kettle Pond South prospects, and Mountain Lake believes that these could be upgraded to NI 43-101 disclosure standards, once data verification and quality control measures are completed.

At the closing of the Arrangement, the current directors of New Island will resign, and new directors will be nominated and appointed by Mountain Lake. New Island has the right to nominate one director to the Board of Mountain Lake.

The completion of the Arrangement is subject to the fulfilment of a number of prior conditions, including the completion of the parties' due diligence investigations, final agreement as to the share exchange ratio, the acceptance of the TSX Venture Exchange to the Arrangement, the approval of the Arrangement by the shareholders of New Island by a special resolution of at least 2/3rds of the shares voted in person or by proxy at a general meeting of New Island held to consider the Arrangement, and the approval of the Supreme Court of Newfoundland and Labrador. The Arrangement cannot close until all of these conditions precedent and others are met. There can be no assurance that the Arrangement will be completed as proposed or at all. Investors are cautioned that except as disclosed in New Island's Information Circular to be prepared in connection with the Arrangement, any information released or received with respect to the Arrangement may not be accurate or complete and should not be relied upon. Trading in the securities of both Mountain Lake and New Island should be considered highly speculative.

After entering into a definitive agreement, and under certain circumstances, if the Arrangement fails to complete, then the non-completing party shall pay to the other a break-up fee equal to the greater of: (a) 5.0% of the value of any alternative acquisition proposal from a third party, and (b) \$300,000.

It is anticipated that the special general meeting of the shareholders of New Island to approve the Arrangement will be held at a date to be announced in July 2010. New Island shareholders will receive an Information Circular setting out further details of the proposed transaction, and this Information Circular will also be filed and made available on SEDAR (www.sedar.com) under New Island's public profile.

Gary Woods, P.Geo., is the Mountain Lake's Qualified Person on the New Island acquisition and has reviewed and verified the contents of this news release.

About New Island Resources Inc.

New Island Resources Inc. (TSX-V:NIS) (New Island) is a diversified junior exploration company holding gold and base metal properties in the province of Newfoundland and Labrador. Its main projects include: a 70% interest in the Pine Cove gold property, which is on option to Anaconda Mining Inc. (Anaconda) whereby Anaconda can earn a 60% interest and operator status by bringing the property into commercial production, where production is expected to commence in June 2010; a 100% interest in the large Glover Island property having significant gold showings covered by a mining lease; and a 17% shareholding in Prominex Resources Inc. which holds the advanced Tulks Hill base metal deposit south of Buchans. For more information visit: www.newislandresources.com

About Mountain Lake Resources Inc.

Mountain Lake Resources Inc. (TSX-V: MOA) is a diversified junior exploration company, whose corporate strategy is to build shareholder value through the exploration and development of economically viable mineral properties. Mountain Lake's current projects include: a 30% interest in the Valentine Lake gold property (Newfoundland) with an option to acquire the remaining 70% interest from Richmond Mines Inc. (and a subsequent sub-option and joint venture agreement whereby Marathon PGM Corp. can earn a 50% in the property; a 100% interest in the Bobby's Pond base metals property (Newfoundland); an option to earn a 100%

interest in the Little River gold exploration property (Newfoundland); and a 2,350,000 share (~6.5%) stake in Etruscan Diamonds Ltd., an alluvial diamond project (South Africa). 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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