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THE TIMELESS PRECIOUS METAL FUND

GAMMON LAKE RESOURCES (TSX:GAM/AMEX:GRS) FOLLOW-UP NO 14 / June 6, 2006

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<u>RETURN ON CAD 10,000 INVESTMENT</u>					
<u>Purchase Date</u>	<u>No. of Shares</u>	<u>Purchase Price</u>	<u>Cost (CAD)</u>	<u>Price Today</u>	<u>Value Today</u>
July 3, 2002	7'000	1.40	9'800.00		
Total	7'000	1.40	9'800.00	13.43	94'010.00
Profit					84'210.00
Profit (in %)					959%



<u>SHARES ISSUED / OUTSTANDING</u>	<u>MARKET CAP</u>
73,386,515 / 83,522,391	CAD 1.1 Billion
<u>52 WEEK LOW / HIGH</u>	<u>AVERAGE TSX / AMEX</u>
CAD 7.50 to 21.48	406,100 (200-day) / 315,100 (200-day)
<u>RECOMMENDATION</u>	<u>RISK RATING</u>
BUY	AVERAGE

GAMMON LAKE AND MEXGOLD TO FORM A NEW WORLD-CLASS MID-TIER PRODUCER IN MEXICO

Business Summary

Gammon Lake Resources has a 100% interest in **Ocampo Gold-Silver Project located in Chihuahua, Mexico**. The Company has been actively exploring the Ocampo Mining District since 1999, greatly advancing the Project toward gold-silver production, and is well positioned to meet its near-term objective of gold-silver production in 2006.

A positive feasibility study was completed in November 2004 for phase one development of the Ocampo Project, **demonstrating extremely robust economic potential**. Annual production is expected to average 270,000 ounces gold-equivalent (170,000 oz. gold and 6-million oz. silver) over the first seven years of mining, at a cash cost of US \$151.74 per gold-equivalent ounce. Production from the first year of operation is anticipated to exceed 300,000 gold-equivalent ounces. At a US \$400 gold price and US \$6.50 silver price, the Internal Rate of Return (IRR) for the Project is 65%.

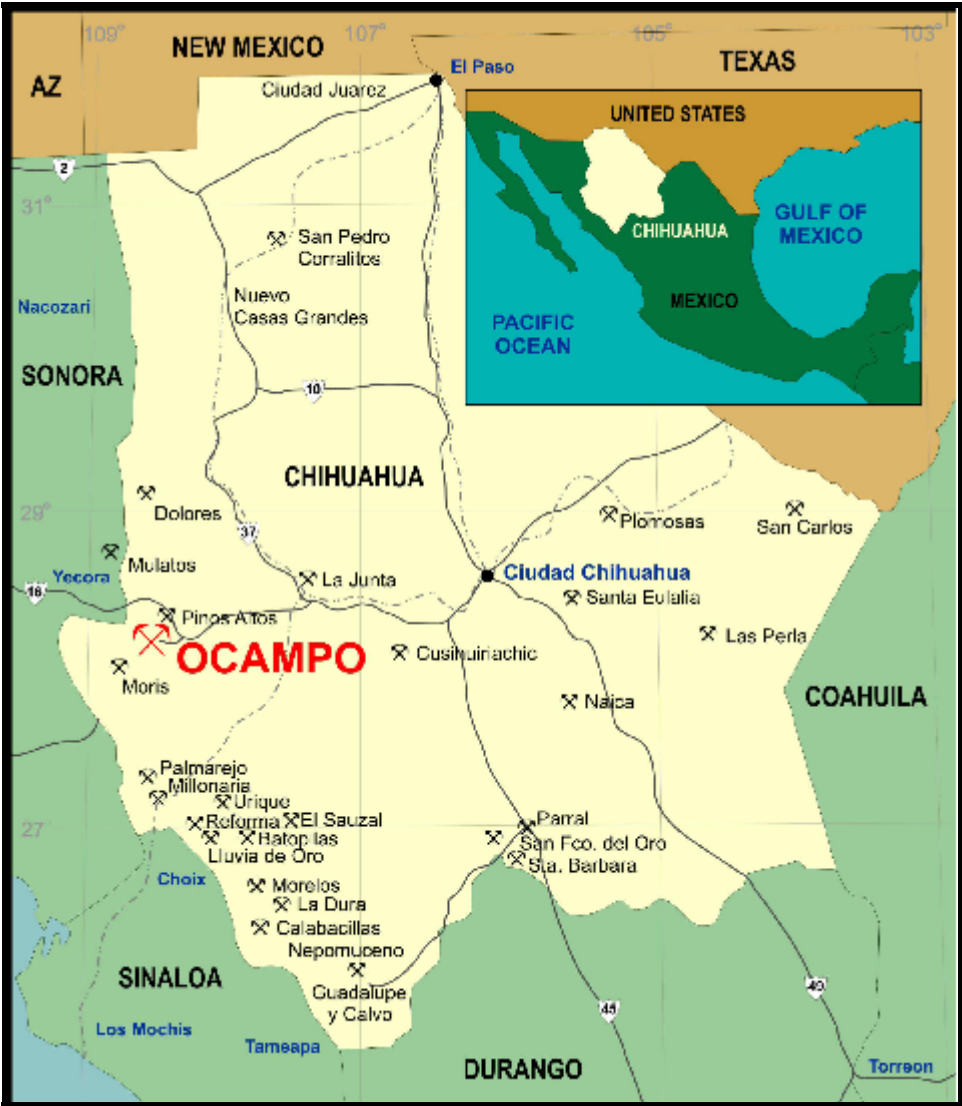
Gammon Lake is well financed, having raised in excess of CDN \$160-million to date for the Company's exploration and development activities at Ocampo. With a CDN \$110-million financing recently completed for phase one development of the Project, Gammon Lake is well positioned to meet its near-term objective of gold-silver production in 2006.

Exploration Activities Targeting Further Expansion of Gold and Silver Resources and Reserves

One dynamic driving Gammon Lake’s growth is the tremendous resource potential at the Company’s 100%-owned Ocampo Project.

While feasibility has been completed for phase one development of the Project, tremendous potential remains for expansion of resources and reserves. **Gammon has outlined a total property resource of 7.5-million ounces gold-equivalent, consisting of 4.4-million ounces of gold and 204-million ounces of silver.** Measured and Indicated resources amount to 39-million tonnes grading 1.46 g/t gold and 61 g/t silver. **This represents 1.85-million ounces of gold and 76.7-million ounces of silver, or 3.03-million ounces on a gold-equivalent basis.**

A further 21-million tonnes grading 3.75 g/t gold and 188 g/t silver remains in the inferred category, representing 2.55-million ounces of gold and 127.8-million ounces of silver (4.53-million ounces gold-equivalent).



Additional Growth Ahead for Gammon through the Combination with Mexgold Resources Inc.

El Cubo Gold-Silver Mine

The El Cubo Mine is a producing mine located in the famous **Guanajuato Mining District in Guanajuato, Mexico.** One of Mexico’s largest gold and silver producers, historic production from the district is estimated at 4-million ounces of gold and 1-billion ounces of silver.

Mexgold acquired El Cubo in February 2004, and further increased its land holding in the area when the Company entered into a lease agreement with Penoles in October 2004, for the adjacent Las Torres Mine. The Las Torres Mine comprises a group of four working mines consisting of the Cedros, Peregrina, Apolo and Sirena mines. Each mine has been maintained on a care and maintenance basis, and no special measures are required to resume operations. By unifying El Cubo and Las Torres into a single mining operation encompassing more than 14,000-hectares, Mexgold has effectively consolidated the majority of the Guanajuato gold-silver district, one of the most productive silver districts in the world.

Mexgold's near term objectives at El Cubo are to 1) increase annualized gold-equivalent production to in excess of 100,000 ounces, 2) reduce average cash costs to below US \$200 per gold-equivalent ounce, and 3) target an expansion of project resources to more than 2-million ounces of gold-equivalent. To achieve these objectives, Mexgold has launched a 60,000-metre exploration and development drilling program, is constructing 8,500-metres of underground development in tunnels and ramps, and is implementing improvements to mine design and mining methods.

Guadalupe Gold-Silver Project

The Guadalupe Project is an advanced stage gold and silver exploration project located in Chihuahua, Mexico. According to an independent report by Pincock, Allen & Holt (a link to this report is below), historic production at the Guadalupe Project has been estimated at 2-million ounces of gold and 28-million ounces of silver, grading 37 grams per tonne gold and 870 grams per tonne silver. Per the independent report, the inferred mineral resource at this project currently stands at more than 1.7-million gold-equivalent ounces (1-million ounces of gold and 46-million ounces of silver) from immediately accessible zones. The estimate does not address significant additional mineralized structures known to be present on the property, or the potential for large strike extensions of known high-grade zones.

Mexgold has initiated an exploration drill program, initially planned for 10,000-metres, but expanded to 30,000-metres in response to significant high-grade results from the first round of drilling. The Company is now completing grid-drilling in the locations surrounding drill holes yielding positive results, to ascertain the width and strike extent of the highly mineralized portions of the property. Mexgold is targeting the discovery of up to 3.5-million ounces of gold-equivalent at Guadalupe through the application of modern exploration techniques to this project.

Recent News: Gammon Lake Resources Inc. and Mexgold Resources Inc. Agree to Business Combination Which Will Form a New World-Class Mid-Tier Producer

Gammon Lake Resources Inc. and Mexgold Resources Inc. announced that they have signed a binding letter of intent to complete a business combination whereby Gammon Lake will acquire all of the outstanding common shares of Mexgold not currently owned by Gammon Lake **The Transaction will create a premier multi-mine Mexican Gold- Silver mining company.**

Under the terms of the Transaction, each Mexgold shareholder other than Gammon Lake will receive 0.47 of a Gammon Lake common share in exchange for each Mexgold common share. The share exchange ratio represents an implied value of C\$7.49 per common share (a 21% premium) to Mexgold shareholders based on the 20-day volume weighted average prices of Gammon Lake and Mexgold common shares on the Toronto Stock Exchange and TSX Venture Exchange, respectively, for the period ending May 26, 2006 and an implied value of C\$6.67 per share (a 17% premium) based on the closing prices on May 26, 2006. Following the Transaction, the common shares of Gammon Lake will be held approximately 78% by existing Gammon Lake shareholders and 22% by current Mexgold shareholders other than Gammon Lake (based on basic common shares outstanding).

Commenting on the transaction, Gammon Lake Chairman and President Fred George stated, "**We believe this combination to be a natural progression for two companies with similar high-quality assets in Mexico, and overlapping management and shareholders. The combination will create an unhedged multi- mine intermediate gold and silver company with substantial long-life production, low cash costs and significant exploration potential, offering shareholders enhanced upside through the joint operation and development of its portfolio of projects in Mexico.**"

Fundamental Considerations: Highlights of the combined company include:

- Creates new world-class gold-silver company with a fully-diluted market capitalization of over C\$1.6 billion (based on May 26, 2006 closing prices)
- **Once accomplished, full production is expected to measure more than 400,000 gold equivalent ounces (235,600 ounces of gold and 10,500,000 ounces of silver) annually (free of hedging).**
- Expected low cash costs of well below US\$200 per gold equivalent ounce
- A large **Measured & Indicated Resource of more than 6.0-million gold equivalent ounces** (3.5-million ounces of gold and 165-million ounces of silver) and additional **Inferred Resources of more than 9.0-million gold equivalent ounces** (4.9-million ounces of gold and 249-million ounces of silver). Included within the Measured & Indicated Resources are Proven & Probable Reserves of more than 5.0-million gold equivalent ounces (2.8-million ounces of gold and 137-million ounces of silver). Low geopolitical risk
- Attractive exploration land package
- With a **cash position of approximately C\$36 million**, the new company will be in a strong position to accelerate the exploration and development of the combined portfolio of properties
- Increased critical mass and trading liquidity
- Strong, committed and entrepreneurial management with proven track record



Gammon Lake has set the stage to become a significant mid-tier gold and silver producer in the near-term; building what is expected to be the single largest operating gold-silver mine in Mexico. The Company in fact announced in February that its poured its first dore bars at the Company's 100% controlled Ocampo Mine, located in Chihuahua, Mexico.

Technical Considerations



The tremendous exploration potential of Gammon Lake, increased through the combination with Mexgold, is not fully reflected in the share price.

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