



## **Halo Signs Option Agreement with Hays Lake on Duport Property**

**Toronto, Ontario, October 15, 2008 -- Lynda Bloom, President and CEO of Halo Resources Ltd. (TSX.V:HLO; FSE:HRL)** is pleased to announce that Halo Resources Ltd. (“Halo”) has signed an option agreement with Hays Lake Gold Inc. (“Hays Lake”) on Halo’s Duport Gold Property located in Glass Township, Shoal Lake Area, Kenora, Ontario.

The Duport Gold Property hosts a NI43-101 compliant resource 424,000 tonnes at 13.4 g/t gold in the Indicated category for 183,000 gold ounces and 387,000 tonnes at 10.7 g/t gold in the Inferred category for an additional 133,000 gold ounces (press release August 9, 2005). The resource estimate was based on 3.8 km of underground development and 81,000 m of core drilling. Halo further advanced the project in 2005-2006 by completing an airborne geophysical survey and additional diamond drilling to generate new exploration targets and demonstrate the potential for expanding the known mineralization. By early 2006 Halo had established a land position at Sherridon, Manitoba and had commenced initial work programs. The initial work was successful in demonstrating the significant opportunity which existed and the Company began an aggressive land acquisition program resulting in a land position of over 200 sq km with significant near surface potential in the prolific Sherridon copper zinc VMS district.

“By early 2006, Halo had established a land position at Sherridon, Manitoba which blossomed into Halo’s current major project, the 200 sq. km. Sherridon VMS Property which has been proven to host near-surface copper-zinc resources. With the near-surface potential at Sherridon untapped for 50 years, the company focused its efforts on advancing its Sherridon VMS Property while Duport has been held on care and maintenance”, says Lynda Bloom, President & CEO. “We are pleased to have Hays Lake as a new partner that is well suited to develop the potential at Duport. We are excited to see the exploration program proceed at Duport while retaining an important opportunity for Halo to participate as a joint venture partner when the property is further advanced.”

**The Option** - Halo acquired a 100% interest in the Duport Gold Property from The Sheridan Platinum Group Ltd. (“Sheridan”) pursuant to a purchase agreement made as of February 18, 2005 (the “Purchase Agreement”), as amended October 7, 2008 (the “Amending Agreement”). Halo has agreed to grant an option to Hays Lake to acquire up to a 75% interest in and to the Duport Gold Property and to enter into a joint venture with Halo (conditional upon Hays Lake exercising the option), subject to the terms and conditions of the option agreement dated October 7, 2008 (the “Option Agreement”) and with the consent of Sheridan pursuant to the Amending Agreement. The completion of this transaction is subject to receipt of all applicable regulatory approvals and consents, including the approval of the TSXV.

**The Shares** - Under the terms of the Option Agreement, Hays Lake issued to Halo 2,000,000 common shares of Hays Lake (and Halo transferred 1,000,000 of such shares to Sheridan in connection with the Amending Agreement). Hays Lake intends to go public by way of a reverse take-over (“RTO”) with a public shell Ontario reporting issuer whose name will be changed to Minerx Inc. (the “Public Issuer”) and also intends to list its shares for trading on the Toronto Stock Exchange (“TSX”), with trading to be scheduled to commence no later than April 7, 2009. Halo and Sheridan have agreed to exchange the aforesaid 2,000,000 common shares of Hays Lake, on a



one for one basis, for shares of Minerx Inc. on the same basis as all other shareholders of Hays Lake on closing of the reverse take-over.

Halo and Sheridan concurrently entered into an agreement with Hays Lake to provide that if, upon the exchange of the Hays Lake common shares in the RTO, either Halo or Sheridan would be entitled to less than one share of the Public Issuer for every one share of Hays Lake that is beneficially owned by Halo or Sheridan respectively at such time, Minerx Inc. will issue, immediately prior to the RTO, subject to compliance with applicable laws, additional fully paid common shares of Minerx Inc. (the "Top-up Shares") in an amount that will result in Halo and Sheridan receiving through the RTO an aggregate number of shares of the Public Issuer that is equal to the number of common shares of Hays Lake beneficially owned by Halo and Sheridan respectively, immediately prior to the issuance of the Top-up Shares.

**Exploration Expenditures** - The Option Agreement provides that Hays Lake can earn a 51% interest in the Duport Gold Property as operator of the property through exploration and/or development expenditures of \$1,500,000 by no later than May 1, 2010 (the "Phase 1 Program"). Hays Lake can earn an additional 24% interest in the property, for a total of 75% interest, as operator of the property through additional exploration and/or development expenditures of \$3,500,000, for a total of \$5,000,000, by not later than October 31, 2012 (the "Phase 2 Program"). Hays Lake may accelerate the Phase 1 or Phase 2 Program expenditures.

**Property Payments** - Commencing November 1, 2008 and ending October 31, 2009, Hays Lake will pay Halo the sum of \$50,000 in equal quarterly payments of \$12,500, payable quarterly in arrears starting January 30, 2009 and payable thereafter on April 30, 2009, July 31, 2009 and October 30, 2009. In each of the three years starting November 1, 2009 and ending October 31, 2012, Hays Lake will pay Halo the sum of \$240,000 in equal quarterly payments of \$60,000, thereafter payable quarterly in arrears starting on the last business day in January, 2010 and payable on the last business day of April, July and October during the balance of 2010 and the last business day of January, April, July and October for each of 2011 and 2012. Hays Lake may, upon written notice to Halo, elect to pay any such property payments in duly and validly issued common shares of the Public Issuer.

On or before October 31, 2012, and provided Hays Lake has incurred all expenditures, issued all shares and made all property payments in accordance with the Option Agreement, Hays Lake will pay to Halo \$6,000,000 and upon payment, Hays Lake will have earned a 75% interest in the Duport Gold Property. Hays Lake may accelerate the property payments in accordance with the Option Agreement.

Hays Lake will provide written notice to Halo of exercise of the option to acquire a 51% interest in the Duport Gold Property and again to exercise the option to acquire an additional 24% interest, in each case, only after all of the requirements of the Option Agreement have been met.

**Joint Venture** - Once Hays Lake has earned a 51% interest in the Duport Gold Property, Halo and Hays Lake will form a joint venture to continue to explore or develop the property. The joint venture will require Hays Lake to incur the expenditures for the Phase 2 Program, to make all remaining property payments pursuant to the terms of the Option Agreement and to carry 100% of



the costs of the ongoing joint venture until such time as it has fully earned a 75% interest. Hays Lake will also be the operator of the property. The material terms and conditions of the joint venture will be set forth in and governed by a joint venture agreement which will be negotiated between the parties within 60 days of the date of the Option Agreement.

In the event Hays Lake fails to incur the expenditures for the Phase 2 Program on or before October 31, 2012, or to make the remaining property payments according to the terms of the Option Agreement, then Hays Lake will carry 100% of all expenditures, including all of the costs of the joint venture, thereafter without acquiring any further interest in and to the joint venture or the assets thereof until such time as Hays Lake has incurred such expenditures and costs to the value of \$3,500,000 Phase 2 Program requirements and the property payments contemplated thereby and if, and provided, Hays Lake has incurred expenditures and costs to such value, then it will have earned an additional 12% interest for a total of 63% interest in and to the Duport Gold Property.

The rights and obligations of Halo and Hays Lake pursuant to the Option Agreement are conditional upon the completion of the RTO and the listing for trading of the common shares of the Public Issuer on the TSX on or before April 7, 2009.

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***About Halo Resources Ltd.***

Halo is a Canadian-based resource company focused on the acquisition of near production base and precious base metal deposits. The Company focus is the Sherridon VMS Property, a combination of mature and grassroots volcanogenic massive sulphide (VMS) copper, zinc and gold exploration opportunities. A 2008 NI43-101 compliant copper-zinc resource, for four of the known deposits in the district, was completed in less than 18 months, with exploration activity ongoing. The Company is operated by an experienced management team with a growth strategy to develop a diversified portfolio of advanced mining projects.

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This news release presents "forward looking information" within the meaning of the applicable Canadian securities laws that involve inherent risks and uncertainties. Forward-looking information includes, but is not limited to, information with respect to the proposed private placement. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Halo to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks related to financings; risks related to the integration of acquisitions; risks related to joint venture operations; actual results of current exploration activities; actual results of current or future reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and other minerals and metals; possible variations in ore reserves, grade or recovery rates; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the management and officers of Halo Resources Ltd. believe that the expectations reflected in such forward-looking information are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information Halo does not undertake to update any forward-looking information referenced herein, except in accordance with applicable securities laws. Trading in the securities of Halo Resources Ltd. should be considered highly speculative.