



## Halo Announces Option Agreement with HudBay

**Toronto, Ontario, December 22, 2009 -- Halo Resources Ltd. (TSXV: HLO) (“Halo”, the “Company”)** is pleased to announce the signing of an Option Agreement (the “Agreement”) with Hudson Bay Mining and Smelting Co., Limited (“HudBay”), a subsidiary of HudBay Minerals Inc. (TSX: HBM). The agreement allows HudBay to earn up to a 67.5% joint venture interest in a 1.1 sq. km. area of the 200 sq. km. Sherridon VMS District in Manitoba that hosts the Cold and Lost mineralization (see following map).

“This agreement with HudBay is an important milestone in the advancement of the Sherridon VMS District, located 110 kilometers by road from Flin Flon”, says Lynda Bloom, Halo’s President and CEO. “If the next phase of exploration is successful, the joint venture would anticipate fast-tracking development and production to provide feed to HudBay’s Flin Flon mill. In addition, Halo’s successful team will continue exploring for additional copper-zinc deposits and working to add to the Company’s known mineral resources.”

In order to exercise the option to earn a 51% interest, HudBay must:

- (a) make aggregate cash payments to Halo of \$800,000 as to
  - (i) \$250,000 on executing the Agreement;
  - (ii) \$150,000 - on or before December 21, 2010; and
  - (iii) \$400,000 - on or before December 21, 2011; and
- (b) complete minimum expenditures of \$1,350,000 as to
  - (i) \$350,000 - on or before December 21, 2010; and
  - (ii) \$1,000,000 - on or before December 21, 2011.

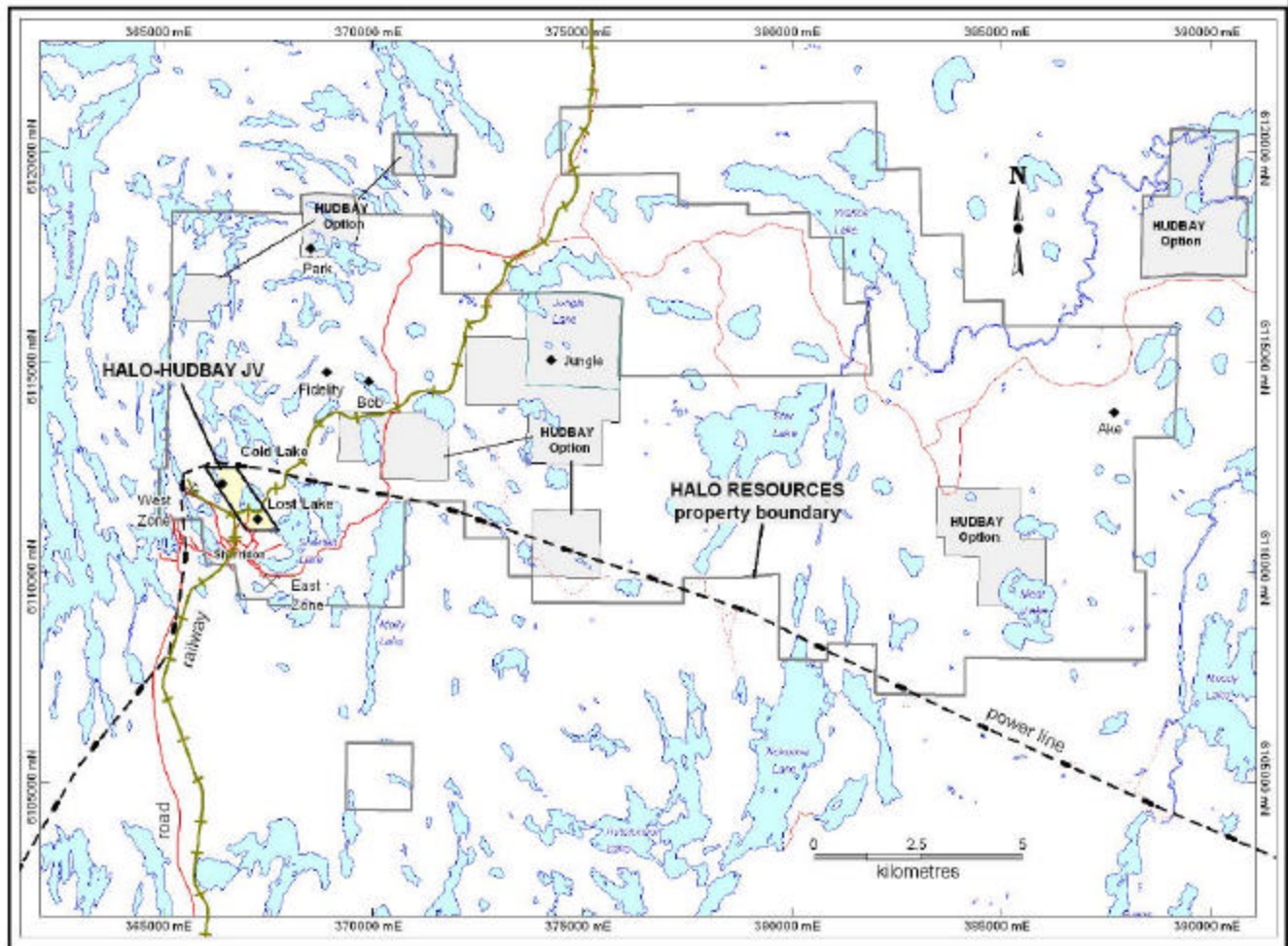
HudBay has the right to accelerate expenditures and option payments as well as the right to terminate the Agreement with 90 days written notice.

Upon earning a 51% interest, Halo and HudBay will form a joint venture, with HudBay as the operator. HudBay can increase its 51% joint venture interest to 60% by funding and completing a feasibility study within four years and paying \$2 million in cash to Halo. HudBay can further increase its interest to 67.5% by paying \$2.5 million to Halo prior to commencement of commercial production.

If a production decision is made, HudBay will finance Halo’s proportionate share of the development costs and will be repaid from Halo’s proportionate share of revenues. HudBay will purchase all ore produced by the joint venture on an arm’s length basis.

Halo has the right to reacquire HudBay’s interest by partially reimbursing HudBay’s total expenditures, or granting to HudBay a 1% net smelter return royalty, if the feasibility study and application for permitting are not completed by December 21, 2013.

The property is subject to a 0.5 % of net smelter return payable to W. Bruce Dunlop Limited NPL, to a maximum of \$2.5 million from the production of minerals.



## ON BEHALF OF THE BOARD OF DIRECTORS

***“Marc Cernovitch”***

Marc Cernovitch  
Chairman

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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’s focus is the 200 sq. km. 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. The Company has a joint venture interest in the Dupont Property, an advanced gold property near Kenora, Ontario and is the operator for several contiguous joint venture properties in West Red Lake covering 45 sq. km. The Company is operated by an experienced management team with a growth strategy to develop a diversified portfolio of advanced mining projects.



### **Forward Looking Statements**

This Company Press Release may contain certain "forward-looking" statements and information relating to the Company that are based on the beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management. Such statements reflect the current risks, uncertainties and assumptions related to certain factors including, without limitations, competitive factors, general economic conditions, customer relations, relationships with vendors and strategic partners, the interest rate environment, governmental regulation and supervision, seasonality, technological change, changes in industry practices, and one-time events. Should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein.

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