



Halo's New Option Agreement with HudBay Stimulates Sherridon Exploration

Toronto, Ontario, October 19, 2011 - Halo Resources Ltd. (TSXV: HLO) ("Halo", the "Company") is pleased to announce the signing of a second 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 75% joint venture interest in the western half of the 200 sq. km. Sherridon VMS District ("Sherridon West") in Manitoba (see following map). The Agreement consolidates the known copper-zinc deposits in the Sherridon VMS District, including Jungle and Bob with published mineral resources, as well as Fidelity, Park and the past-producing Sherridon East and West mines. The Agreement is exclusive of the option agreement with HudBay for the Cold-Lost deposits announced December 22, 2009.

HIGHLIGHTS

- ! **HudBay to pay up to \$3.35 million and \$5 million in expenditures for maximum 75% interest in Halo's Sherridon West**
- ! **HudBay transfers the Park claims to Halo**
- ! **HudBay will not exercise its back-in option at Jungle and Halo holds a 100% interest**

"This new agreement with HudBay allows Halo to both expand its land position and accelerate exploration activities", says Lynda Bloom, Halo's President and CEO. "The addition of HudBay's mining expertise provides the ability to rapidly assess and fast track potential exploitation opportunities. Halo retains a 100% interest in Sherridon East and will continue its grassroots exploration activities in Manitoba."

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

- (a) make aggregate cash payments to Halo of \$1.6 million in annual \$400,000 payments over three years, commencing with a payment on signing; and
- (b) complete minimum expenditures of \$5 million over three years.

HudBay will also transfer its 100% interest in the Park claims to Halo as part of the transaction. The claims host the Park Lake copper-zinc zone, discovered in 1959, where

mineralized intersections for deeper drill holes include 0.48% copper and 2.48% zinc over 17.9 meters.

In addition, HudBay has agreed to give up its back-in right to earn 51% of the Jungle deposit and will forego its 2% net smelter return ("NSR") upon exercising its option on the consolidated property. The combination of the Park, Jungle and additional Halo claims are referred to as the Sherridon West Property.

Upon earning a 51% interest, Halo and HudBay will form a joint venture. HudBay can increase its 51% joint venture interest to 75% by funding and completing a Feasibility Study for the Project and making a cash payment to Halo of \$1,750,000, in each case on or before the fifth Anniversary Date.



About Halo Resources Ltd.

Halo is a Canadian-based resource company with base metal and gold assets. The Sherridon VMS Property is a combination of mature and grassroots volcanogenic massive sulphide (VMS) copper, zinc and gold exploration opportunities covering over 20 square kilometers. A 2010 NI43-101 compliant copper-zinc resource, for four of the known deposits in the district, included Indicated Resources of 6.5 million tonnes grading 0.85% copper and 1.22% zinc and Inferred Resources of 15.9 million tonnes grading 0.68% copper and 0.84 % zinc. At least 75% of the material in both categories is contained within potentially economic open pits. The Company has a joint venture interest in the Duport Property, an advanced gold property near Kenora, Ontario and a 60:40 joint venture partnership with Red Lake Gold Mines Partnership (RLGMP), a partnership between Goldcorp Canada Ltd. and Goldcorp Inc. (TSX:G; NYSE: GG) at West Red Lake covering 3,500 hectares. 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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