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NEWS RELEASE

SHARES: 15,823,781
CNQ: HYLK
FRANKFURT: HYK

**HY LAKE GOLD INC. ANNOUNCES DRILLING COMMENCES ON THE
MOUNT JAMIE PROPERTY IN RED LAKE: PHASE 2**

FOR IMMEDIATE RELEASE, July 18, 2007 – Toronto, Ontario.

Hy Lake Gold Inc. (CNQ: HYLK; FRANKFURT: HYK) (“Hy Lake Gold” and “the Company”) is pleased to announce the commencement of exploration drilling on its 15-claim, 340 ha, Mount Jamie Property in the Red Lake mining camp in northwestern Ontario. Forage Orbit Garant Drilling (FOGD) of Val d’Or, Quebec has mobilized a rig to the property for the second phase of the 2007 exploration program. Drilling began on the initial 12 holes of the program on July 7th and FOGD will carry out a minimum of 10,000 m of drilling on a 7 day, 24 hour schedule.

The first three (3) holes of the program have been completed, logged and sampled. Analyses for this phase of the program will be performed by ALS Chemex and results will be announced when available.

This phase of the program is designed to contribute to what is currently known of the geology and mineral potential of the property and to continue to explore the property along strike and to depths not previously drilled. Previous work at Mount Jamie has explored portions of the property from surface to a depth of approximately 200 m. The most recent work on the property, carried out in February of 2007 by the Company, confirmed the presence of high-grade gold-bearing zones and expanded on the Company’s resource database.

The Mount Jamie Property is located in Todd Township at the western end of the Red Lake greenstone belt approximately 25 km west-northwest of Red Lake, Ontario. Rocks in the vicinity of the property form part of the Ball assemblage and the property is underlain by a series of Archean volcano-sediments that host several gold-bearing quartz veins. The property was explored underground by two shafts – one on each of two known veins. Shaft No. 1 (Main Zone) reached a depth of 772 feet (235 m) with 3,200 feet (975 m) of lateral development and 630 feet (192 m) of raising on three levels. Shaft No. 2 (North Zone) was sunk to a depth of 559 feet (170 m) with some lateral development on the first level. Historical surface and underground exploration work, carried out mainly between 1936 and 1989, outlined an inferred resource of 44,535 tons (40,401 t) of ore grading 0.438 oz of gold per ton (15.0 g Au/t) in the Main Zone. Historical resource figures are non-NI 43-101 compliant. Additional zones and shoots of gold mineralization have also been identified elsewhere on the property. Reference to the previous

work and other technical details can be found in the Company's NI 43-101 report prepared by Mr. Peter Vamos, P.Eng. which is available on SEDAR.

The Red Lake mining camp includes several current and past well known producers of gold such as the Red Lake and Campbell Mines (Goldcorp). Neighbouring properties to Mount Jamie ground include the Rowan Lake (Goldcorp) property to the east and claims held by Redstar Gold Corp. (with AngloGold Ashanti and Rubicon Minerals Corp.) to the south and west. Hy Lake believes good potential exists to increase the extent of the gold-mineralized zones located on the Mount Jamie Property and vicinity.

Hy Lake is a junior exploration company currently focused on gold exploration in the Red Lake area of northwestern Ontario. To find out more about Hy Lake Gold Inc. (CNQ: HYLK; FRANKFURT: HYK) visit our website at www.hylake.com.

There are 15,823,781 shares of the Company outstanding.

For further information please contact Mr. Robert B. Seitz, President at 416-203-9181, ext. 4500.

The CNQ has neither approved nor disapproved of the contents of this press release.