

SHARES OUTSTANDING: 11,107,059

NEWS RELEASE

HY LAKE GOLD INC.

FINANCING AND SHARES FOR DEBT ANNOUNCEMENT

FOR IMMEDIATE RELEASE, July 5, 2006, Toronto, Ontario

Hy Lake Gold Inc today announced the completion of the initial closing of a non-brokered private placement. The Company issued 1,500,000 common shares at \$0.10 per share, for proceeds of \$150,000. A further 500,000 shares remain available under the current financing and it is anticipated that a final closing will take place during July 2006. No commission or finders' fee is being paid on the placement. The securities issued will be subject to a hold period of four months and one day from the date of issue. The Company previously closed a \$200,000 financing at \$0.10 per share, as announced on May 10, 2006.

Proceeds from the private placement will be used for the Company's operating expenses and work on the Company's mineral properties in Ontario.

Hy Lake Gold Inc subsequently finalized the shares-for-debt arrangements approved by the company's shareholders on the 12th of January 2006, issuing a total of 4,384,000 shares in satisfaction of outstanding debts.

FOR FURTHER INFORMATION CONTACT:

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