



**Attention Business Editors:**

## **CMQ to Explore Red Canyon and South Sleeper Properties**

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CALGARY, June 19 /CNW/ - CMQ Resources Inc. (TSXV: CMQ) ("CMQ") is pleased to announce Letter Agreements to explore two Nevada gold exploration properties and to call an Annual and Special Meeting of Shareholders to approve a funding agreement, share consolidation and future private placement.

### Brief Description of Exploration Opportunities

#### Red Canyon

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Red Canyon is a sediment-hosted gold project located 12 miles (19 km) southeast of the 8.5 million ounce Cortez Hills gold discovery. The 7.7 sq. mi. (20 sq. km.) property consists of 237 unpatented lode mining claims that cover a 2 sq. mi. (5.2 sq. km.) alteration cell developed in carbonate rocks that are age-equivalent to host rocks at the Cortez Hills and Gold Bar deposits. Previous drilling at the Ice prospect identified a near-surface zone of oxidized gold mineralization hosted in the McColley Canyon Formation, immediately above the Lone Mountain dolomite. Exploration potential remains open along strike to the northeast and south in areas covered by post-mineral volcanic rocks and alluvium. The exploration potential to the northeast is defined by a) five drill holes that intersected gold mineralization, b) structural contouring, c) a 3D geochemical evaluation, and d) gravity data. Select drill-hole intercepts include:

- 95 ft of 0.117 oz Au/t from 20 to 115 ft (29.0m of 4.007 g Au/t from 6.1 to 35.1m) in KR-001;
- 85 ft of 0.046 oz Au/t from 15 to 100 ft (25.9m of 1.568 g Au/t from 4.5 to 30.5m) in ROM07-01; and
- 60 ft of 0.033 oz Au/t from 200-260 ft (18.3m of 1.132 g Au/t from 61 to 79.3m) in M-9.

Previous deep drilling also identified a 3,500 ft by 4,600 ft (1.1 by 1.4km) hydrothermal cell at the Gexa prospect, immediately south of the Ice prospect. Two holes encountered deep oxidation, moderate to strong silicification, select intervals of fluidized breccias and elevated pathfinder elements. Both holes ended prematurely prior to testing their intended targets in favorable limestone of the Denay and McColley Canyon Formations. These alteration features combined with elevated gold confirm the presence of a deeper, previously unrecognized Carlin-style gold system.

#### South Sleeper

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The South Sleeper property is located 1.5 miles (2.4 km) south-southwest of the Sleeper Deposit in Humboldt County, Nevada, on the north end of the Battle Mountain-Eureka trend. The project consists of 60 lode mining claims covering 1.8 square miles (4.53 sq. km.).

The target at the South Sleeper property is a low sulfidation, bonanza gold-silver vein target enveloped by bulk-tonnage, low-grade disseminated ore covered by pediment gravels.

The Sleeper deposit produced 1,685,500 ounces of gold and 2,334,400 ounces of silver from high-grade veins and lower grade stockwork and breccia ores. Ninety percent of the ore mined was hosted by the Sleeper Rhyolite, a volcanic unit that is covered by alluvial gravels. At the present time XCal Resources Ltd. is evaluating a renewed geological interpretation. Published geological maps and publicly available data strongly suggests that the favorable mine stratigraphy and structure trends southwestward from the Sleeper pit onto the South Sleeper property. Specifically, the gold-silver veins of the original Sleeper mine, a prominent magnetic low, and Landsat TM lineaments all trend towards the South Sleeper, which is covered by alluvial gravels along the western range front.

#### Letter Agreements

CMQ has signed a Letter Agreement with Miranda Gold Corp. (TSXV: MAD) ("Miranda") (the "Miranda Agreement"), whereby CMQ may earn up to a 60% joint venture interest in certain mining claims controlled by Miranda, located in Eureka County, Nevada (the "Red Canyon Claims"), by spending a total of USD\$4,000,000 on certain exploration expenditures over a five-year period. CMQ is committed to expend a minimum of USD\$500,000 in the first year. Any additional amounts are at the election of CMQ but no interest is earned until the entire USD\$4,000,000 is expended. After earning a 60% interest, CMQ is to then earn an additional 10% interest in the Red Canyon Claims by funding the cost of a feasibility study in respect thereof. The terms of the Miranda Agreement shall be set forth in a formal exploration agreement that is to be executed within 60 days.

CMQ has signed a Letter Agreement with Geologix Explorations Inc. (TSXV: GIX) ("Geologix") (the "Geologix Agreement"), whereby CMQ may earn up to a 55% joint venture interest in certain mining claims controlled by Geologix, located in Humboldt County, Nevada (the "South Sleeper Claims"), by spending a total of USD\$3,000,000 on certain exploration expenditures over a five-year period. CMQ is committed to expend a minimum of USD\$200,000 in the first year. Any additional amounts are at the election of CMQ but no interest is earned until the entire USD\$3,000,000 is expended. CMQ may also elect, in due course, to earn an additional 10% interest in the South Sleeper Claims by funding the cost of a feasibility study in respect thereof. The operator, following completion of a feasibility study, may elect to earn an additional 5% by arranging financing at its expense for the project through to commercial production. Alternatively, CMQ and Geologix may form a Joint Venture to further explore the project. The terms of the Geologix Agreement shall be set forth in a formal exploration agreement that is to be executed within 60 days.

#### Funding Agreement

In order to meet its short term financing requirements, including the committed amounts under the Miranda Agreement and Geologix Agreement, CMQ has agreed in principle to enter into a funding agreement (the "Funding Agreement") with Matco Capital Ltd. ("Matco"), which would permit CMQ to draw and obligate Matco to provide up to CDN\$1,000,000 in loans. The Funding Agreement expires June 30, 2009 and will be secured by a charge on all assets and interests of CMQ and requires payment by CMQ of a \$50,000 set-up fee. Amounts drawn under the Funding Agreement bear interest at 9% per annum. There are no standby or other charges in respect of undrawn amounts. It is anticipated that the amounts outstanding under the Funding Agreement shall be repaid upon the completion of the private placement financing described below. The Funding Agreement has been entered into, conditional upon receiving

shareholder approval at the Annual and Special Meeting of Shareholders described below.

#### Annual and Special Meeting of Shareholders

CMQ will hold an annual and special meeting of shareholders (the "Meeting") in early August, 2008. At the Meeting, shareholders of CMQ will be asked to consider and approve the following items of special business: (i) the Funding Agreement; (ii) the consolidation of all of the common shares of CMQ (the "Common Shares") on the basis of ten (10) pre-consolidation Common Shares for every one (1) post-consolidation Common Share (the "Proposed Consolidation"); (iii) a future private placement of Common Shares to be completed within 12 months of the Meeting for up to \$5,000,000 (the "Private Placement") in which insiders and control persons of CMQ may participate; and (iv) a reduction in the stated capital account of the Common Shares. The Funding Agreement, the Proposed Consolidation, the Private Placement and the reduction in the stated capital account of the Common Shares are subject to the receipt of all applicable shareholder, regulatory and TSX Venture Exchange approvals.

#### Proposed Consolidation

CMQ's board of directors believes that, having regard to the large number of Common Shares outstanding as at the date hereof, it is in the best interests of CMQ and its shareholders to proceed with the Proposed Consolidation in order to facilitate future equity financings. There are currently 65,346,700 Common Shares issued and outstanding. After the Proposed Consolidation, there would be 6,534,670 Common Shares issued and outstanding. CMQ does not intend to change its name in conjunction with the Proposed Consolidation.

#### Net Asset Value

By press releases dated November 19 and 30, 2007, CMQ announced that it had written off its entire investment in its existing properties, Montezuma and Vasquir, Nevada, and was assessing them for joint venture or sale. CMQ believes that for valuation purposes the properties should be treated as having a nominal value. CMQ has approximately \$300,000 in cash and, accordingly, ignoring any value or liability that may be attributable to the two Letter Agreements announced today, CMQ has a Net Asset Value of approximately one half of one cent per share. The NAV on a per share basis will be increased as a result of the Proposed Consolidation, which should enhance the feasibility of future equity financings.

John Hogg, Vice President Exploration, CMQ Resources Inc., is the qualified person, as defined by National Instrument 43-101, who has reviewed and verified the data disclosed in this press release.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

#### Forward-Looking Statements

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This press release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements typically contain statements with words such as "anticipate", "believe", "plan", "continuous", "estimate", "expect",

"may", "will", "project", "would", "should", or similar words suggesting future outcomes. In particular, this press release contains forward-looking statements pertaining to the following: CMQ's potential joint venture interest with respect to the Red Canyon Project and the South Sleeper Project, the Funding Agreement, the Proposed Consolidation, the benefits of the Proposed Consolidation and the timing and amount of the Private Placement.

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will in fact be realized. Actual results will differ, and the difference may be material and adverse to CMQ and shareholders. Forward-looking statements are based on management's current beliefs as well as assumptions made by, and information currently available to, management. Though management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks that forward-looking statements will not be achieved. The forward-looking statements contained in this press release are made as of the date hereof and CMQ does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

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For further information: Martin Lambert, Chief Executive Officer, CMQ Resources Inc., Tel: (403) 294-0101, E-mail [mlambert@cmqresources.com](mailto:mlambert@cmqresources.com)