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NEWS RELEASE

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CMC Options Rancheria Silver Project

Vancouver, BC.: CMC Metals Ltd. - (“the Company”) (TSX-V: CMB) is pleased to announce that it has acquired an option to earn up to a 100 percent working interest in the Blue Heaven mineral property in the Rancheria Silver District, Yukon (the “Property”), subject to an option agreement with Strategic Metals Ltd. (TSX-V: SMD) (the “Agreement”). Pursuant to the terms of the Agreement, the Company will pay \$7,500 upon execution of the Agreement and \$30,000 on the first anniversary. Additional payments will be made in the following years of \$62,500 at the end of year two, \$125,000 at the end of year three and \$175,000 at the end of year four resulting in total payments of \$400,000 for an 80% interest in the Property. The Company will have an option to acquire the remaining 20% interest for a cash payment of \$500,000. The Property is subject to a 2% net smelter royalty which can be reduced to 1% upon the payment of \$1,000,000.

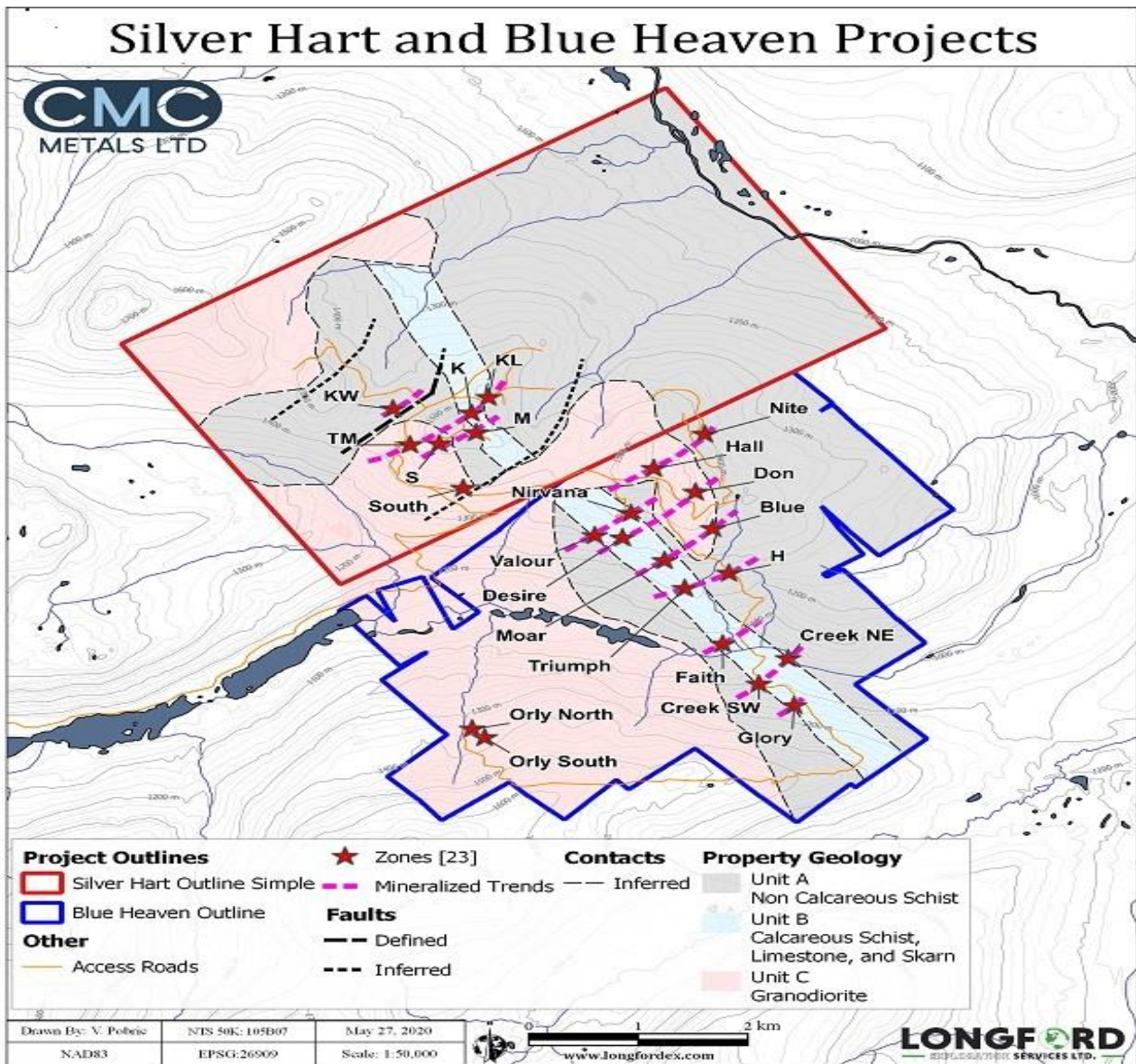
The Rancheria Silver District is located approximately 300 kilometers east of Whitehorse, Yukon in a 130 km long by 50 km wide belt that straddles the Yukon and British Columbia border and adjoins the Company’s flagship Silver Hart claims.

The Blue Heaven property lies immediately adjacent to the southeast of CMC’s cornerstone Silver Hart Project and comprises of 118 claims (1,975 hectares). The Blue Heaven claims cover part of the Cassiar Batholith, a satellite plug and surrounding calcareous and non-calcareous sediments and is a multi-kilometer extension of the same geological units found within Silver Hart. A total of 16 mineralized zones have been identified within the Blue Heaven property comprising high grade silver veins, silver-lead-zinc carbonate replacement occurrences, and tungsten +/- copper skarns. **A 1999 bulk sample of hand sorted material from excavations on two of the vein zones produced 51.47 dry tonnes grading 8,563 g/t silver, 56.2% lead, 9.5% zinc, and 1.2 g/t gold.** The carbonate replacement zones are found within a 200 to 500 meter thick section of calcareous meta-sediments that extends for at least 4 kilometers within the Blue Heaven Property (see figure 1 and also on our website at www.cmcmetals.ca) that then extends continuously into Silver Hart and has an associated strong anomalous lead and zinc response throughout most of the belt. The mineralization has been exposed in over 100 completed trenches and through several drill campaigns (over 30 holes) and highlights of results include:

Blue Zone: 1,888 g/t silver over 1.48 meters over a strike length in excess of 70 meters on the B3 vein and 1,519.7 g/t silver over 1.4 meters in the B2 vein;

- H Zone: 2,969 g/t silver over 1.3 meters and a chip sample on a massive sphalerite-galena lens that averaged 6,264.3 g/t silver, 44.5% lead and 17.6% zinc over 0.6 meters;
- Don Zone: trench has produced 778 g/t silver and 0.76% lead over 3.7 meters;
- Desire Zone: Chip samples over 35.8 meters averaging 65.5 g/t silver, 5% lead and 3.6% zinc and in another trench 115.6 g/t silver, 4.2% lead and 3.4% zinc over 24.1 meters;
- Orly Zone South: 1,675 g/t silver, 15% lead and 3.97% zinc over 0.15 meters and a separate grab sample grading 5,063 g/t silver and 59.7% lead;
- Orly North Zone: grab sample grading 3748.3 g/t silver, 8.87% lead and 5.9% zinc.

Carbonate-hosted silver-lead-zinc deposits are important and highly valuable sources of these minerals and typically comprise of ore bodies ranging from 0.5 million tonnes of contained ore to 20 million tonnes or more and are commonly found in clusters.



Kevin Brewer, President and CEO, noted, “We are extremely pleased to have secured this significant property immediately adjacent to Silver Hart. It presents numerous new targets for high grade silver-lead-zinc deposits which we can easily explore using the ongoing knowledge we are acquiring at Silver Hart. Being able to utilize our existing infrastructure and resources in the area will also keep exploration costs on this property at a minimum.”

Michael Scholz, Chairman, noted, “The Blue Heaven Property practically doubles our land holdings in the Rancheria silver district. Significant mineralization has already been identified within the Blue Heaven claims and we feel it has very good potential to host high grade silver-lead-zinc deposits like we have identified in Silver Hart. This acquisition significantly increases the value of our holdings in the Rancheria Silver district and will further help us advance our current development plans.”

About CMC Metals.

CMC Metals Ltd. is a mineral exploration company focused on opportunities in the United States and Canada that offers potential for near-term cash flow. The Company is led by a seasoned team with experience developing assets to production. The Company’s Silver Hart Property is a Silver-Lead-Zinc asset located in the Yukon, 132 km west of Watson Lake, and covers 2,200 hectares and 116 Contiguous and partial claims.

CMC is a precious metals exploration and development company working in Yukon and is actively seeking other projects to acquire in its portfolio.

On behalf of the Board:

“Michael C. Scholz”

Michael Scholz, Director
CMC METALS LTD.

For further information concerning the CMC Metals Ltd., or its exploration projects, please contact:

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