

HORNBY BAY EXPLORATION LIMITED

SUITE 700, 357 BAY STREET, TORONTO, ONTARIO M5H 2T7

July 5, 2005

Shares Outstanding July 5 , 2005: 81,026,229
Close July 4, 2005: \$0.60

2005 MEGATEM SURVEY RESULTS

Hornby Bay Exploration Limited (HBE – TSXV) on May 10, 2005 Fugro Airborne Surveys completed a 6,500 line-kilometre deep penetrating MEGATEM-magnetic geophysical survey of the company's wholly owned Coppermine River 128 mineral claim group. 4,600 line-kilometres in the south of the claims was flown at 200 metre line spacing and the balance was flown at 250 metre line spacing.

The objective of the MEGATEM survey was to identify basement conductive zones hosted by graphite-bearing, pelitic metasedimentary rocks that may be associated with unconformity related uranium occurrences. The survey identified seven conductive zones of which two are extensions of previously defined conductors from prior GEOTEM airborne surveys.

The company will focus its July to September 2005 ground geophysical electromagnetic surveys on three of the conductive zones. Drill targets will be selected on the basis of the results of the ground-follow up geophysical work and the structural analysis of the Landsat TM and Landsat ETM+ images.

The company's 2005 exploration work schedule may be viewed on its website homepage www.hornbybay.com , under the heading *Latest Properties Presentation*.

Hornby Bay's 2005 exploration program is being carried out under the supervision of David Bent, Vice President Exploration, P. Geo., the qualified person as required under the national instrument 43-101 and he has reviewed this news release.

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