

# HORNBY BAY EXPLORATION LIMITED

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

December 22, 2005

**Shares Outstanding December 22, 2005:** 90,381,270  
**Close December 21, 2005:** \$0.32

## **Hornby Bay Exploration Closes \$1.5 Million Financing**

Hornby Bay Exploration Limited (HBE) has closed a previously announced private placement of 4,328,014 flow-through units at a price of \$0.35 per unit, for gross proceeds of \$1,514,805. Each unit consists of one flow-through share and one-half of a common share purchase warrant. The flow-through shares and warrants issued are subject to the applicable statutory four-month hold period, which expires April 23, 2006. Each whole share purchase warrant will be exercisable for an additional common share of HBE until December 24, 2007 at a price of \$0.45 per share.

HBE has paid a finder's fee of 7.0% of the gross proceeds received and issued 430,001 non-transferable compensation warrants. Each compensation warrant is exercisable for one common share of HBE until December 24, 2007 at a price of \$0.45 per share.

In the event that HBE's common shares trade at a closing price on the TSX Venture Exchange of greater than \$0.55 per share for a period of 20 consecutive trading days ending on a date after April 22, 2006, HBE may accelerate the expiry date of the warrants and/or the compensation warrants by issuing a news release within 15 days and in such case the warrants and/or compensation warrants will expire on the 30th day after the date of such news release.

HBE will use the gross proceeds from the flow-through shares for further exploration of its Canadian exploration properties.

For further information contact:  
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