

HORNBY BAY EXPLORATION LIMITED

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

January 5, 2006

Shares Outstanding January 5, 2006: 90,788,112
Close January 4, 2006: \$0.36

Hornby Bay Reports Significant Uranium Drilling Results

Hornby Bay Exploration Limited (TSXV:HBE) reports significant anomalous uranium mineralization, at a cut-off grade of 2.0 ppm, was encountered in nine out of the ten targeted 2005 drill holes. These results confirm uranium content at three levels: 1) above the unconformity in the sandstone, 2) at the unconformity and 3) in the basement. These nine holes tested the following three target areas that are up to 30 km apart on the company's 100% owned 324,650 acres Coppermine River mineral claims:

- Hole HB-05-21, at Contact Lake intersected 75 m of combined regolith and graphitic metapelite in the basement and samples from this zone assayed up to 107 ppm uranium
- Hole HB-05-18, at Wolf Creek intersected 50 m of graphitic metapelite in the basement and samples from this zone assayed up to 20 ppm uranium
- Hole HB-05-24, in the southern part of the Panhandle and several samples from the strongest zones of clay alteration assayed up to 15 ppm uranium. The clay/silica alteration persisted to the bottom of the hole (580 m) which was terminated due to deteriorating weather condition at the end of the 2005 season and this hole will be completed in April 2006

From the 2005 airborne MEGATEM survey, Fugro has outlined 50 km of electromagnetic conductors plus 30 km of extensive strike length conductive trends for a total of 80 km.

The company has identified major northeast and northwest trending faults and lineaments which intersect at numerous locations. These intersections are at the same locations as high grade uranium results found in surface rock samples, radioactive surface occurrences, and the above mentioned electromagnetic conductors. **Such intersections are prime locations for forming uranium deposits.**

During 2004 and 2005, the company has spent \$11.0 million on the systematic advancement of its world-class uranium claims in Nunavut. **FOR 2006, 18 HIGH POTENTIAL, DRILL-READY URANIUM TARGETS HAVE BEEN SELECTED WITH DRILLING SCHEDULED TO COMMENCE IN APRIL.**

To view the above mentioned main faults and lineaments, the electromagnetic conductors, the uranium in surface rock samples, the radioactive occurrences, the historical BP Minerals and HBE drill hole locations, and the selected 2006 uranium drill targets please go to the heading [Latest Results](#) at the company's web site: www.hornbybay.com.

As previously reported on November 25th, in 2005 the company drilled 13 holes for 5,140 m of which three holes were stratigraphic tests for geology and structure modelling and ten holes were drilled on specific targets.

David Bent, Vice-President Exploration, P. Geo., is the Qualified Person for the purposes of NI 43-101 with respect to the technical information in this news release. Sample preparation and analyses were done by the Geoanalytical Laboratory of the Saskatchewan Research Council, in Saskatoon.

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