

HORNBY BAY MINERAL EXPLORATION LTD.

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FOR IMMEDIATE RELEASE

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Toronto, Ontario

TSX Venture Exchange
Symbol: **HBE**

HORNBY BAY ANNOUNCES RIGHTS OFFERING AND COMMENCEMENT OF DRILLING PROGRAM

Toronto, Ontario – Hornby Bay Mineral Exploration Ltd. (TSXV:HBE) (the “**Company**”) is pleased to announce the terms of a rights offering to existing shareholders to raise gross proceeds of up to \$1,937,533 (the “**Offering**”).

The Company will be offering to eligible holders of its outstanding common shares (“**Common Shares**”) of the Company of record as at the close of business on August 6, 2010, rights (each, a “**Right**”) to subscribe for up to approximately 12,109,582 flow-through common shares (each a “**Flow-Through Share**”) of the Company on the terms set forth in a rights offering circular (the “**Circular**”) to be mailed to shareholders and available under the Company’s profile on SEDAR at www.sedar.com. Each such holder will receive one Right for each Common Share held on the Record Date. Four Rights will entitle the holder to purchase one Flow-Through Share at a price of \$0.16.

The Rights expire at 4:00 p.m. (Toronto time) on August 31, 2010 (the “**Expiry Time**”), after which time unexercised Rights will be void and without value. The Rights will be listed on the TSX Venture Exchange and cease trading at 12:00p.m. (Toronto time) on August 31, 2010.

The Rights and underlying Flow-Through Shares are not being offered to, and the Rights may not be exercised by, persons who are residents of any jurisdiction other than each of the Provinces of Ontario, Alberta and British Columbia. Reference is made to the section in the Circular entitled “Ineligible Shareholders”.

Net proceeds of the Offering will be up to \$1,757,533, assuming that all of the Rights are exercised. Proceeds of the Offering will be used to fund an exploration program on the Company's 40 mineral leases and 16 mining claims located in Coppermine river, Nunavut and for general working capital needs.

The Company is also pleased to announce that the 2010/11 diamond drilling and seismic program on its Coppermine River Property in Nunavut has commenced.

FOR FURTHER INFORMATION, PLEASE CONTACT

Maurice Colson, President & CEO

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains forward-looking statements. These statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, results of exploration, project development, reclamation and capital costs of the Company's mineral properties, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as: changes in general economic conditions and conditions in the financial markets; changes in demand and prices for minerals; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the activities of the Company; and other matters discussed in this news release. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.