

DARNLEY BAY RESOURCES LIMITED  
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NEWS RELEASE

Trading Symbol: DBL. TSX Venture Exchange

December 22, 2009

**Darnley Bay Resources Announces Inuvialuit Concession Agreement,  
New Director and Debt Conversion**

Darnley Bay Resources Limited (the "Company") is pleased to announce that the Inuvialuit Regional Corporation, the Inuvialuit Land Corporation and the Company have signed a Letter of Agreement for the "Terms for a Combined Metals and Diamond Concession to Darnley Bay Resources Limited for Paulatuk 7(1)(a) Lands". This is the finalization of the agreement in principle announced on May 8, 2008, and previously ratified by the Inuvialuit beneficiaries in Paulatuk during a community meeting with the Company on April 26, 2008. The Letter of Agreement is subject to Inuvialuit Land Corporation ("ILC") receiving \$626,268.21 from the Company on or before December 31, 2009. This sum represents 50% of the Company's outstanding arrears owed to ILC. The Company has made arrangements with ILC to pay the outstanding balance by December 22, 2011.

The Letter of Agreement grants the Company the right to explore for, assess, mine, extract, market and otherwise dispose of metals and diamonds in, on or under 185,320 hectares (457,940 acres) of Inuvialuit surface and sub surface owned lands in the area around Paulatuk, Northwest Territories.

The Company announces it has appointed Mr. Mark Bennett to its Board of Directors. Mr. Bennett is a lawyer with Cassels Brock, practising in the area of corporate and securities law with an emphasis on mergers and acquisitions and corporate finance in the mining sector. He is recognized for his expertise in the mining and natural resources sectors by *Chambers and Partners*, the *Canadian Legal Lexpert Directory* and *Best Lawyers in Canada*. He is also a past recipient of the Lexpert Rising Stars Award for top lawyers under 40. He has extensive experience representing Canadian and international mining companies involved in business combinations, takeover bids and stock exchange listings for more than 15 years. He has advised exploration, development and producing resource companies on property acquisitions, joint ventures, dispositions and reorganizations.

In keeping with the Company's stock option plan, Mr. Bennett was awarded 300,000 options exercisable at \$0.32 per share, which will expire on November 27, 2011. Following this issuance, the Company will have 3,600,000 options issued under its rolling 10% stock option plan with 55,405,380 issued and outstanding common shares. The transaction is subject to certain conditions, including regulatory approval.

The Company announces that one creditor has agreed to accept payment of \$30,303.31 in the form of 94,697 common shares of the Company at \$0.32 per share. In total (see news releases dated December 7, December 9 and December 18, 2009), debt conversions announced by the Company amount to \$803,501.01 for 3,466,536 common shares.

The debt conversion is subject to acceptance by the TSX Venture Exchange.

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