

NEWS RELEASE

Trading Symbol: DBL. TSX Venture Exchange

July 26, 2010

Darnley Bay Resources Announces C\$3.0 Million Flow-Through Unit Private Placement Financing

NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH U.S. NEWSWIRE SERVICES

Darnley Bay Resources Limited (“**Darnley Bay**” or the “**Company**”) is pleased to announce that the Company has engaged Haywood Securities Inc. (“**Haywood**” or the “**Agent**”) to complete a best efforts private placement of flow-through units (the “**Flow-Through Units**”) at a price per Flow-Through Unit of C\$0.40 (the “**Unit Price**”) for gross proceeds to the Company up to C\$3,000,000 (the “**Offering**”). Each Unit consists of one flow-through share for purposes of the Income Tax Act (Canada) (a “**Flow-Through Share**”) and one half of one common share purchase warrant (each whole purchase warrant, a “**Warrant**”) of the Company. Each Warrant will entitle the holder to acquire one common share at an exercise price of C\$0.45 for a period of 24 months from the closing date of the Offering. The Company has granted Haywood the option to increase the Offering by C\$1,000,000 for aggregate gross proceeds to the Company of up to C\$4,000,000.

The Flow-Through Units will be offered and sold by way of private placement exemptions in all provinces and jurisdictions of Canada.

The gross proceeds from the sale of the Flow-Through Shares comprising part of the Flow-Through Units will be used to incur flow-through expenditures at the Company’s base metals exploration assets.

The Company has agreed to pay Haywood a cash fee of 8.0% of the aggregate gross proceeds raised in connection with the Offering and to issue to Haywood compensation options entitling Haywood to purchase that number of units (the “**Compensation Units**”) that is equal to 10.0% of the aggregate number of Flow-Through Units sold under the Offering at an exercise price per Compensation Unit of C\$0.40 for a period of 24 months following the closing date of the Offering. Each Compensation Unit shall consist of one common share of Company and one half of one Warrant.

The offering is subject to certain conditions including, but not limited to, the receipt of all necessary corporate and regulatory approvals, including the approval of the TSX Venture Exchange. All securities issued in connection with the Offering will be subject to a statutory hold period of four months plus one day from the date of issuance in accordance with applicable securities legislation.

The securities being offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States in the absence of registration or an applicable exemption from the registration requirements. This press release does not constitute an offer to sell or the solicitation of an offer to purchase securities in the United States.

About Darnley Bay Resources Limited:

Darnley Bay Resources Limited was formed in 1993 to explore and develop an area of geophysical significance in the Northwest Territories of Canada. Initial base metal exploration fortuitously resulted in the discovery of diamonds, indicating that the area is host to both metallic and diamond mineral deposit interests. Darnley Bay’s objectives are to

secure and maintain successful financing partnerships to continue exploration for base metals, precious metals and diamonds that will result in the development of a profitable mining venture.

For more information contact:

Stephen Reford, President & CEO
Telephone: (416) 862-7885
Fax: (416) 862-7889
E-mail: sreford@darnleybay.com
Web site: www.darnleybay.com

Forward-Looking Information

This release includes certain statements that may be deemed “forward-looking statements”. All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that Darnley Bay expects are forward-looking statements. Although Darnley Bay believes the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the statements. There are certain factors that could cause actual results to differ materially from those in forward-looking statements. These include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on Darnley Bay, investors should review registered filings at www.sedar.com.

Neither 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.