

**GALENA INTERNATIONAL RESOURCES LTD.
&
KERNOW RESOURCES & DEVELOPMENTS LTD.
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December 31, 2009

UPDATE ON PROPOSED QUALIFYING TRANSACTION

Galena International Resources Ltd. (TSX.V: GTO.P) ("Galena") and Kernow Resources & Development Ltd. (TSX.V: KRJ) ("Kernow") announced today that, further to Galena's News Release of September 21, 2009 announcing the proposed amalgamation of Galena, Kernow and Green Bull Energy Inc. ("**Green Bull**"), the parties have amended the terms of the proposed amalgamation and have subsequently have entered into a definitive Amalgamation Agreement, dated November 18, 2009 (the "**Amalgamation Agreement**"). Under the terms of the Amalgamation Agreement Kernow will amalgamate (the "**Amalgamation**") with Green Bull to form an amalgamated company ("**Amalco**") and Galena will acquire of all of the issued and outstanding shares of Amalco by way of a share-for-share exchange, pursuant to which, Amalco will become a wholly-owned subsidiary of Galena. The Amalgamation is intended to constitute Galena's Qualifying Transaction (the "**Qualifying Transaction**") in accordance with the TSXV Policies.

At the special meeting of Kernow shareholders held in Vancouver, B.C., on December 23, 2009, the shareholders of Kernow voted, by special resolution, to approve the transaction between Galena, Kernow and Green Bull. In total, 78.32 per cent of the Kernow shareholders who cast their votes at the special meeting (approximately 9.07 million) voted to approve the Amalgamation. Green Bull, a private company, has received 100% shareholder approval to the Amalgamation.

Completion of the Amalgamation is subject to the Exchange granting approval of the Amalgamation as Galena's Qualifying Transaction pursuant to TSXV policies. Subject to receiving all of the Exchange Approval, the Amalgamation is expected to be completed on January 15, 2010 or such other date following receipt of Exchange approval as Kernow, Green Bull and Galena may agree.

Under the terms of the Amalgamation Agreement, Kernow Shareholders will receive an aggregate of 6,572,686 Galena shares representing one (1) Galena share at a deemed price of \$0.33 per share for every three (3) common shares of Kernow held by such Kernow shareholder immediately prior to the Amalgamation becoming effective. All Kernow shares exchanged for Galena shares shall be cancelled without any repayment of capital in respect thereof and Amalco shall issue one (1) Amalco Share to Galena in respect of every one (1) Galena Share issued to the Kernow Shareholders pursuant to the Amalgamation. Galena will assume Kernow's currently outstanding options and upon exercise thereof, will issue up to an aggregate of 575,935 common shares, representing one Galena share for every three Kernow shares formerly issuable thereunder.

All of the issued and outstanding shares in the capital of Green Bull shall be exchanged for an aggregate of 3,000,000 Galena shares at a deemed price of \$0.33 per share, representing one Galena share for every 1.864 common shares of Green Bull held by such Green Bull shareholder immediately prior to the Amalgamation becoming effective. All Green Bull shares exchanged for Galena shares shall be cancelled without any repayment of capital in respect thereof and Amalco shall issue one (1) Amalco share to Galena in respect of every one (1) Galena share issued to the Green Bull shareholders pursuant to the Amalgamation.

Each of Kernow and Green Bull shall cease to exist as separate entities from Amalco. Upon completion of the Amalgamation, Amalco will be a wholly-owned subsidiary of Galena and will be named Green Bull Resources Ltd.

Assuming no exercise of outstanding options or warrants to purchase Galena Shares prior to the completion of the amalgamation, on the effective date of the Amalgamation, Galena will have 22,227,686 common shares issued and outstanding.

Pursuant to the terms the Amalgamation Agreement, all 1,493,146 common shares of Galena issuable in exchange for the common shares of Green Bull and Kernow held by Directors and Officers of Green Bull and Kernow immediately prior to giving effect to the Amalgamation will be subject to escrow under the CPC Escrow Agreement entered into by Galena, Computershare Trust Company and Galena's seed share holders in connection with the completion of Galena's IPO.

The TSX Venture Exchange has granted a waiver of the requirement under Exchange Policies to engage a sponsor in connection with the completion of the Galena's Qualifying Transaction, and has granted approval for Galena to provide a bridge loan (the "**Bridge Loan**") of up to \$200,000 to Kernow to fund Kernow's operations prior to completion of the Amalgamation. The Bridge Loan will be secured by way of a pledge over the common shares of Kernow's wholly-owned subsidiary, Kernow Mining Portugal – Prospeccao Minera, Sociedade Unipessoal Ltd. In the event that the Amalgamation is not completed, the Bridge Loan will become payable in full on demand. Interest will accrue on overdue amounts owing under the Bridge Loan at a rate of 10% per annum. As at the date hereof, Galena has advanced an aggregate of \$75,000 to Kernow under the Bridge Loan.

Upon completion of the Amalgamation, the board of directors of Galena will be comprised of Randy Turner, Alan Matthews, Jerry Bulman and Michael Gunning. (Readers are encouraged to read the September 21, 2009 release for directors' bios).

The senior management team of Galena will include Randy Turner, President and Chief Executive Officer, Alan Matthews, Vice President Operations – Europe and Christopher Mitchell, Chief Financial Officer and Deborah Chadwick, Secretary Treasurer.

Christopher Mitchell, CFO. Mr. Mitchell is an independent business consultant. Mr. Mitchell has been employed in the minerals industry for over 35 years, initially as a metallurgist and financial analyst. Mr. Mitchell is currently a director of First Point Minerals Corp., Endurance Gold Corp. and Orvana Minerals Corp. and Chief Financial Officer of Canterra Minerals Corp, Silver Quest Resources Ltd., and American Creek Resources Ltd. Mr. Mitchell, holds MBA (Finance) and M.Sc. (Metallurgy) degrees from the University of British Columbia, and is a member of the Association of Professional Engineers and Geoscientists of British Columbia.

Deborah Chadwick, Secretary Treasurer. Ms. Chadwick is a founder of Marketworks, Inc., a privately held British Columbia company providing corporate services to emerging and TSX Venture Exchange listed companies in the resource sector since 1985.

Other Items relating to the Qualifying Transaction

The contemplated Qualifying Transaction with Kernow and Green Bull does not constitute a Non-Arms Length Qualifying Transaction.

Galena has agreed to lend to Kernow or any of the Kernow subsidiaries, up to \$200,000. To date \$75,000 has been advanced.

GALENA INTERNATIONAL RESOURCES LTD. KERNOW RESOURCES & DEVELOPMENTS LTD.

“Randy Turner”

Randy C. Turner, Director

“Alan Matthews”

Alan Matthews, Director

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc., has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

For further information on the contents contained herein contact Randy C. Turner, President & Director at 604.687.6644

We seek safe harbour