



**KERNOW RESOURCES
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NEWS RELEASE

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Drill results from the Jales/Gralheira Gold Property, Portugal

"Mr. Alan Matthews, C. Eng., President of Kernow Resources & Developments Ltd., and Lori McClenahan, President of St. Elias Mines Ltd. (collectively the "Companies"), are pleased to provide the following update regarding the drilling program recently completed on the Jales/Gralheira Gold Property (the "Property") in Portugal. The Property is owned 51% by St. Elias Mines Ltd. ("St. Elias") and 49% by Kernow Resources & Developments Ltd. ("Kernow")

The results from a drill program, consisting of one hole of 220 metres completed in December, 2008 have now been received. This is the first hole completed by the Kernow-St Elias JV. This hole is in addition to 37 holes funded by St. Elias during the earn-in period. The 38 holes drilled are in addition to the 50 holes drilled by RTZ (Rio Tinto Zinc) 3 holes drilled by the Tellis/Kernow JV and the 36 holes drilled by COGEMA (Compagnie Générale des Matières Nucléaires of France). Hole KMP 38 was drilled at the Western end of the Central Zone.

Hole KMP-38. Dip -67° Azimuth: 188°, Depth: 220.3 metres.

The hole intersected several gold-bearing structures that are inline with the 8 other holes drilled on this section. The main mineralised intersection returned 2.05 g/t over 5.5 metres that included 10.1 g/t gold and 37.5 g/t silver across 0.65 metres. The true width of the 5.5 metres intercept is approximately 2.8 metres.

Hole KMP 38 Structure	From (metres)	To (metres)	Interval (metres)	Gold (grams per tonne)	Silver (grams per tonne)	Lead %	Zinc %
F 4	79.80	80.07	0.27	0.83	251.3	0.11%	0.57%
	105.05	105.55	0.50	0.531	1.4	< 0.1%	< 0.1%
F3	105.55	106.60	1.05	0.054	0.5	< 0.1%	< 0.1%
	106.60	107.50	0.90	0.012	0.4	< 0.1%	< 0.1%
	107.50	108.40	0.90	0.146	0.9	< 0.1%	< 0.1%
	108.40	108.75	0.35	1.01	50.0	2.04%	0.67%
F2	111.42	111.95	0.53	5.15	51.2	1.96%	5.12%
	125.05	125.45	0.40	1.94	31.3	0.33%	0.11%
	196.70	197.70	1.00	0.047	<0.3	< 0.1%	< 0.1%
F1	197.70	198.35	0.65	10.1	37.5	0.57%	< 0.1%
	198.35	199.45	1.10	0.008	<0.3	< 0.1%	< 0.1%

Hole KMP 38 Structure	From (metres)	To (metres)	Interval (metres)	Gold (grams per tonne)	Silver (grams per tonne)	Lead %	Zinc %
	199.45	200.15	0.70	0.004	<0.3	< 0.1%	< 0.1%
	200.15	200.64	0.49	1.76	3.7	< 0.1%	< 0.1%
	200.64	201.20	0.56	3.75	0.8	< 0.1%	< 0.1%
	201.20	202.20	1.00	0.002	<0.3	< 0.1%	< 0.1%
	202.20	202.75	0.55	0.002	<0.3	< 0.1%	< 0.1%
	202.75	203.20	0.45	3.89	12.6	< 0.1%	< 0.1%

Lead and Zinc assays are provided in the above table as recent metallurgical tests show that a Lead Zinc concentrate can be made containing up to 48.0 % of the gold from the mineralised material treated. (See News Release dated 11, January 2009).

The hole intersected the main mineralised structure approximately 32 metres vertically above the intersection recorded in Hole GRA 20 where assays from sampling were recorded as 8.8 g/t gold over 1.7 metres. (True width approximately 1.3 metres).

Jales/Gralheira Gold Property, Portugal, Resources

In January 2008 (see News Release dated January 18, 2008) Kernow and St. Elias Mines Ltd. received a resource report entitled “**A Report on the Mineral Assets of the Gralheira Gold-Silver property, Portugal**” prepared by Wardell Armstrong International Ltd. (WAI) of Cornwall, U.K. The report estimated the following gold and silver resources at the Property:

Classification	Gold			Silver		
	Tonnes	g/t	ounces	Tonnes	g/t	Ounces
	3.0 grams/t cut off					
Measured	30,000	5.92	5,768	30,000	29.8	29,067
Indicated	569,000	5.24	95,825	569,000	22.8	417,500
Measured & Indicated	599,000	5.27	101,593	599,000	23.18	446,567
Inferred	975,000	4.72	142,972	975,000	15.0	483,621

A Brief history of the Jales Complex.

Jales/Gralheira Gold Property covers approximately 1,250 acres (500 hectares) and is located in northern Portugal. The Property includes the Jales Mine, which produced about 830,000 ounces of gold in ore grading up to 12.9 g/t gold between 1933 and 1992. It also covers the Gralheira Gold and Silver deposit, which has been explored by drilling, 126 drill holes (completed to a maximum depth of 511 m (metres) below surface, over a strike length of 2,700 m, underground sampling from a 350 m long adit and 200 m of crosscuts, and a TITAN24 IP/Resistivity geophysical survey. Kernow holds a 49% interest in the Property.

Ongoing work

Kernow has suspended operations at the site but will continue to assess the metallurgical data recently received and if financing permits complete a bulk test of 1 tonne of mineralized material collected from the adit at the property. These data will form part of a scoping study being prepared by management.

Quality Assurance & Quality Control

Kernow has established a quality assurance programme and undertakes quality control measures for its exploration results as described as follows.

Samples for gold were assayed by assay method Au3 or Au4 or by screen metallics (Au9). Sample preparation and analytical work is undertaken at OMAC Labs. Ltd. in County Galway, Ireland using standard industry practices and conventional atomic absorption and fire assay methods for gold (Au 3 is a Geochem Gold Fire Assay using Lead Collection and AA finish and Au4 has a gravity finish. Base metal and silver analysis is carried out using Aqua Regia Digestion and Flame AA finish.

For quality control purposes, analytical standards with known metal values are included with Kernow's drill core samples and show acceptable reproducibility. Zero value blanks were also inserted into the sample stream. In addition, duplicate analyses on selected drill samples will also be carried out by a second independent assay laboratory.

All assays were conducted on sawn HQ-sized half core sections. Gold standards were prepared by CDN Resource Laboratories Ltd. of Delta, B.C. Canada. Work programmes are supervised by Alan F. Matthews, Kernow's President.

About Kernow

Kernow is a gold explorer based in Porto, Portugal, with a portfolio of prospective gold and antimony/gold projects including the Jales/Gralheira project (49% Kernow), the Boticas project (100% Kernow) and the Alto Sobrido project (100% Kernow).

Kernow's ongoing focus will be on its Portuguese properties. Portugal is a European Union country with stable politics, a skilled labor force and excellent infrastructure. This infrastructure includes some of Europe's newest highways, abundant power and existing rail and port facilities. All of Kernow's properties are close to roads, power and water supplies.

About St. Elias

St. Elias is a mineral exploration company listed on the TSX Venture Exchange and owns interests in properties located in Peru, Portugal and Canada. For additional information on St. Elias and its projects, please visit www.steliasmines.com or call 1-888-895-5522 (toll free US and Canada).

Qualified Person

The data contained in this News Release has been reviewed and verified by Kernow's President, Alan F. Matthews, C.Eng., a "qualified person" for the purposes of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian securities administrators.

Contacts for Kernow

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"Neither TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release."

This news release may contain forward looking statements regarding the ongoing and upcoming exploration work and expected geometry of geological formations and structures. Actual results may differ materially from those currently anticipated in such statements.