

**KERNOW RESOURCES  
& DEVELOPMENTS LTD.**

Trading Symbol: **KRD** (TSX Venture Exchange)

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**NEWS RELEASE**

DATE: September 21, 2009

**KERNOW SIGNS LETTER OF INTENT WITH GALENA INTERNATIONAL  
RESOURCES LTD. REGARDING A PROPOSED QUALIFYING TRANSACTION**

Kernow Resources & Development Ltd. (TSX.V: KRD) (“Kernow”) is pleased to announce that it executed a Letter of Intent (“LOI”) with Galena International Resources Ltd. (TSX.V: GTO.P) (“Galena”), and Green Bull Energy Inc. (“Green Bull”) on September 9, 2009. Under the terms of the LOI, Galena and Kernow, will merge as corporations (the “Proposed Transaction”) and acquire all of the issued and outstanding shares of Green Bull Energy Inc. (“Green Bull”), a private British Columbia corporation, either by way of a corporate merger or a share exchange. The Proposed Transaction will form the qualifying transaction (the “Qualifying Transaction”) for Galena pursuant to rules and policies of the TSX Venture Exchange (the “Exchange”). The final structure of the Proposed Transaction is subject among other things, to the parties completing due diligence, receipt of final legal opinions and entering into a definitive agreement.

Under the terms of the LOI, Galena, a capital pool company listed on the Exchange, will merge with Kernow, also an Exchange listed issuer, to form a new company (“Parentco”). Shares of Kernow will be exchanged on a 3:1 basis (three Kernow shares for one new Parentco share) and shares of Galena will be exchanged on a 1:1 basis (one Galena share for one new Parentco share). Concurrently Parentco will acquire all of the issued and outstanding shares of Green Bull by issuing three million (3,000,000) Parentco shares to be distributed to its shareholders on a pro rata basis.

The Proposed Transaction is not subject to completion of additional financing, however it is intended that upon a successful completion of the Proposed Transaction, Parentco will undertake a private placement for gross proceeds of up to CDN \$5,000,000 to fund explorations programs on the newly acquired properties.

Completion of the transaction is subject to a number of conditions including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

**KERNOW RESOURCES & DEVELOPMENT’S PROJECTS**

For more detailed information on Kernow and its properties, readers are encouraged to view detail disclosure documents on [www.sedar.com](http://www.sedar.com) and to visit Kernow’s website at [www.kernowresources.com](http://www.kernowresources.com)

**Jales, Portugal (Gold and Silver)**

The Jales-Gralheira Gold Property is located in northern Portugal and covers an area of 5.05 square kilometers. The concession area includes the past producing Jales Gold Mine which produced 830,000 oz of gold at an average grade of 12.9g/t gold and nearly 3,000,000 oz of silver over its 50 year life. The mine closed in 1992. The Jales deposit was mined to depth of 620m. The mineralization strikes from the south the north east and is believed to continue at depth. Kernow has been involved for the past 7 years in the development of the Gralheira deposit located some 500 meters to the north and east of the Jales deposit.

In October 2001, Kernow entered into an agreement to acquire a 100% interest in the Jales gold property from Target Europe Corp. The Jales-Gralheira property was then held by way of an exploration contract entered into with the Government of Portugal on June 19, 2000. As consideration, Kernow issued 800,000 common shares at a value of \$73,430 to Target Europe Corp and is obliged to issue a further 750,000 common shares upon the property

reaching commercial production. There is a 3% royalty payable to the Government of Portugal on all minerals produced from the property.

Subsequently Kernow had an option agreement with St. Elias Mines Ltd. (“St. Elias”), whereby St. Elias earned a 51% interest in the property in exchange for cash payments totaling \$50,000, incurring cumulative exploration expenditures of \$1,500,000 on the property and issuing a total of 500,000 common shares at a value of \$106,000 to Kernow over a three year period.

In May 2007, Kernow was awarded an experimental mining license, replacing the exploration license for the Jales-Gralheira property from the Direcção-Geral de Energia e Geologia (“DEGE”), a division of the Portuguese Ministry of Economy and Innovation. The experimental license is for a period of three years. A performance deposit in the amount of €50,000 has been posted and a minimum of €750,000 must be expended on the property over the three year life of the license.

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:

	Gold			Silver		
	3.0 grams/t cut off					
Classification	Tonnes	g/t	Ounces	Tonnes	g/t	Ounces
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
<b>Measured &amp; Indicated</b>	<b>599,000</b>	<b>5.27</b>	<b>101,593</b>	<b>599,000</b>	<b>23.18</b>	<b>446,567</b>
<b>Inferred</b>	<b>975,000</b>	<b>4.72</b>	<b>142,972</b>	<b>975,000</b>	<b>15.0</b>	<b>483,621</b>

In May 2009, Kernow entered into an agreement to repurchase St. Elias’s 51% interest in the Jales-Gralheira Property bringing its ownership of the Property to 100% by fulfillment of the following conditions:

- a) Kernow forgave all the outstanding amounts due from St. Elias totaling \$64,144.
- b) Kernow paid St. Elias the sum of \$50,000 upon the receipt of satisfactory documentation quit claiming all rights to the property to the Kernow.
- c) Kernow issued to St. Elias 1,000,000 common shares at a value of \$30,000.
- d) On receipt of a Full Mining License from the Portuguese Authorities and TSX-V approval, Kernow will issue St. Elias a further 2,000,000 shares (subject to resale restrictions) and pay to St. Elias a further \$100,000.
- e) Kernow will seek permission from the Portuguese Mining Authorities to award St. Elias a 0.40% net smelter royalty on all metals produced from the property.

Kernow currently has metallurgical test work underway.

#### **Poco das Freitas Property (Boticas), Portugal (Gold and Silver)**

Kernow has a contract of exploration with the Government of Portugal (“DEGE”) to explore the Poco das Freitas (Boticas) property located in northeast Portugal. The Property covers an area of 16.00 square kilometres and within its boundaries are a series of pits and workings excavated for the production of gold during the time of the Roman Empire. The contract was initially granted for two years and was renewed for a further two years until October 2008. Kernow completed its commitment to incur €45,000 (approximately \$73,300) of exploration work on the property in the first two years. It has completed a further €45,000 of exploration work that was required by October 2008. Kernow received notification from the DEGE, that the Exploration contract for the Boticas property has been extended until October 2009. Kernow has committed to expend €45,000 during the period of the extension.

In addition to the 3% royalty payable to the Government of Portugal, Kernow must pay an additional €50,000 (approximately \$81,400) per year for 5 years in the event of production.

#### **Alto Sobrido, Portugal (Gold, Antimony and Coal)**

In May 2007, Kernow entered into an exploration contract with the DGGE for Alto Sobrido property, located 16 kilometres to the east of the coastal city of Porto in the north east of Portugal. The exploration contract originally covered an area of approximately 16.4 square kilometres. The exploration contract was initially granted for a period of two years and can be renewed for a further three, one year periods each by reducing the area of the license by 50% at each annual renewal. Application to extend the contract has been made and the area under license and as required, has been reduced to 8.365 square kilometers. A performance deposit in the amount of €7,000 has been posted and a minimum of €25,000 must be expended on the property during the first year and thereafter a minimum of €30,000 must be expended each year over the life of the license.

Kernow has applied for the exclusive right to explore any coal deposits discovered on the Alto Sobrido property and is waiting for the final approval from the Portuguese government with regards to the coal exploration license.

#### **Chaves, Portugal (Geothermal Resources)**

On April 8, 2009, Kernow announced that it has applied to the Portuguese Ministry of Economy and Innovation for the rights to explore for Geothermal resources located in the area of Chaves in Northern Portugal. The application will be reviewed by the Ministry and the Direcção-Geral de Energia e Geologia (“DGEG”) and, if successful, Kernow will be granted the right to explore for Geothermal Resources over an area of approximately 200.90 square kilometres. The location was selected by Kernow as it is known to host several hot springs and contains a deep seated regional fault running from the south west to the north east of the property. The fault known as the Regua Varim fault separates two granitic intrusions of Hercynian age to the east and west.

Kernow signed a Letter of Intent with Green Bull on March 9, 2009. The LOI granted Green Bull the right to enter into a 50/50 joint venture with Kernow to develop the Chaves area under application for geothermal resources after paying the first €100,000 (Approximately \$160,000) of exploration expenditures on the property. The transaction has been conditionally accepted by the Exchange but is subject to final review by the Exchange.

#### **About Kernow and It’s significant shareholders**

Kernow is a natural resource company engaged in acquisition, exploration, and development of mineral properties. It currently holds three properties in Northern Portugal (Jales, Boticas and Alto Sobrida). It is currently awaiting the award of the Chaves Geothermal Exploration License. Kernow also holds 3 properties located in Canada. The Joutel and Orvilliers located in Quebec and the Sachem Bay property located in Labrador. These properties are not material to Kernow. Kernow trades on the TSX Venture Exchange (“TSX-V”) under the symbol KRD. Kernow has 19,718,059 common shares issued and outstanding and is a British Columbia incorporated company with one subsidiary, Kernow Mining Portugal Sociedade Unipessoal Lta., incorporated in Portugal and Kernow Resources & Developments (USA) Inc., a subsidiary incorporated in the United States.

The only significant shareholder known to Kernow is Pinetree Capital Ltd., holding 2,000,000 common shares representing 10.14% of Kernow’s issued and outstanding. Pinetree Capital Ltd. is Toronto Stock Exchange publicly traded company based in Toronto, Ontario. None of its officers and directors are officers or directors of the Kernow

#### **GREEN BULL ENERGY’S PROJECTS**

##### **Chaves, Portugal (Geothermal Resources)**

See description of property above.

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Green Bull Energy had previously entered into two option agreements with RJK Explorations Ltd. (RJK.A) to earn a 60% interest in the On Strike North and On Strike South claim groups.

#### **On Strike North Claim Group (Uranium)**

The On Strike North claim group consists of 2,226 hectares located in the Sherbrooke North, Lavant and Palmerston townships in the east Bancroft area, approximately 77 kilometres south west of Ottawa, Ontario. The claims were acquired due to the increased uranium exploration activity in the area and the area's historic uranium production totaling 14,862,653 lbs of U3O8 between 1956 and 1982.

#### **Terms of the Agreement**

Green Bull Energy made an initial \$25,000 cash payment, will incur up to \$905,000 in expenditures and issue up to 400,000 shares of Green Bull over a 42 month period.

1. 100,000 shares and expenditures totaling \$75,000 on the property from June 16, 2007 to August 31, 2008
2. 150,000 shares and expenditures totaling \$230,000 on the property from June 16, 2008 to August 31, 2009, and subsequently extended to December 31, 2009.
3. 150,000 shares and expenditures totaling \$600,000 on the property from June 16, 2009 to August 31, 2010

RJK Explorations Ltd. will retain a 1% net smelter royalty return subject to a buy-back by Green Bull of up to 0.5% with payments to \$600,000.

#### **On Strike South Claim Group (Uranium)**

The On Strike South claim group consists of 1,600 hectares and is located 18 kilometres southwest of the On Strike North claims.

Green Bull made an initial \$15,000 cash payment, will incur up to \$400,000 in expenditures, and issue up to 225,000 shares of Green Bull over a three year period.

1. Year One – 75,000 shares and expenditures totaling \$30,000 on the property from Oct 11, 2007 to Oct 11, 2008
2. Year Two – 75,000 shares and expenditures totaling \$100,000 on the property from Oct 11, 2008 to Oct 11, 2009, and subsequently extended to December 31, 2009.
3. Year Three – 75,000 shares and expenditures totaling \$270,000 on the property from Oct 11, 2009 to Oct 11, 2010

RJK Explorations Ltd. will retain a 1% net smelter royalty return subject to a buy-back by Green Bull of up to 0.5% with payments to \$600,000.

#### **Work Program Completed by Green Bull To Date:**

Green Bull retained MPX Geophysics Ltd. of Richmond Hill, Ontario, to conduct a helicopterborne radiometric survey on the On Strike North and South claim blocks. The survey has identified in excess of 6 high priority target anomalies on the North claim blocks and Green Bull is currently evaluating recent geophysical survey data on the South claim blocks. To date, Green Bull has completed \$131,000 in expenditures on the North and South claim blocks.

#### **Interpretations and Conclusions**

The On Strike North and South claim blocks lie within a region known to host uranium mineralization. Historic work has revealed many uranium showings and radiometric anomalies in 2432102.3 the area of the claims. Green Bull intends to conduct a further exploration program to meet the Year 2 terms of the North and South claim block option agreements.

#### **About Green Bull and it's significant shareholders**

Green Bull was incorporated in April 2007 in the Province of British Columbia under the name of Atomic Uranium Inc. and changed its name to Green Bull Energy Inc. on July 22, 2008. Green Bull currently has 5,124,800 shares issued and outstanding. It's significant shareholders are:

- Mr. Jerry Bulman of Calgary, Alberta holding 1,208,500 (23.6%).  
Mr. Gary F. Zak of Vancouver, British Columbia who holds 831,300 (16.2%)

### **Board of Directors and Management of the Resulting Issuer**

Concurrently with the completion of the Proposed Transaction it is currently contemplated that the following persons will constitute the new officers and directors of Parentco.

#### **Randy C. Turner – Director and President & Chief Executive Officer**

Mr. Turner is a current Director and the President & CEO of Galena.

Mr. Turner has been President of Diamondex Resources Ltd. since 1999, when the Company first traded as a "spin-off" from Winspear Diamonds Inc. As former President of Winspear for nine and a half years, Mr. Turner guided the Company from the discovery of the Snap Lake diamond deposit through to the sale of it to De Beers Mining of Canada for C\$305 million.

Prior to his position at Winspear, as President of Trimin Resources Ltd., Mr. Turner was involved in the development and sale of the McIlvenna Bay copper/zinc deposit, Saskatchewan. From 1977 - 1989, while working for Esso Minerals Canada in various roles, he was involved in acquisitions and joint ventures exploring for uranium, gold and base metals. Previously, Mr. Turner worked for AGIP Mining Corporation in Australia and in U.S.A. (Texas and Colorado) in the early 1970's exploring for uranium, gold and base metals.

On January 2008, as recognition for his contribution to the industry, Mr. Turner received the Hugo Dummett Diamond Award for Excellence in Diamond Exploration and Development from the B.C. and Yukon Chamber of Mines. Mr. Turner is a Professional Geologist and a Member of the Association of Professional Geoscientists and Engineers of British Columbia.

#### **Alan Matthews – Director and Vice President Operations-Europe**

Mr. Matthews is a current director and the President & CEO of Kernow

Mr. Matthews qualified in 1974 as a Mining Engineer from the Camborne School of Mines and has gained over thirty five years experience as a Mining Engineer/Project Manager/Entrepreneur with multi-national exposure to a broad range of industrial mineral, base and precious metal projects.

Mr. Matthews has experience in operations, planning, exploration, consulting, project financing and project development throughout the world. In addition, he is currently a director of and consultant to several TSX listed mining companies, assisting them and others raising equity for mine development and start-up projects.

#### **Jerry Bulman – Director and Executive Vice President & Chief Operations Officer**

Mr. Bulman is a Director of both Kernow and Green Bull and is a significant shareholder of Green Bull.

Mr. Bulman is the CEO and founder of Parkvalley Consulting Ltd, a private company based in Calgary, AB that provides consulting services to the resource sector. With over 30 years of senior management experience, Mr. Bulman has been involved with the exploration and development of a diverse range of projects. These include oil & gas, coal bed methane and oil sands developments, as well as several projects in the mining sector. In addition to his duties as CEO of Parkvalley Consulting Ltd, Mr. Bulman is a Director of Bold Ventures Inc, Molystar Resources Inc, Major Gold Ltd, and Kernow Resources & Developments Ltd. Mr. Bulman currently provides Senior Consulting services to two major international energy companies in support of their Arctic and North American frontier exploration operations.

#### **Michael H. Gunning – Director**

Mr. Gunning is a current Director of Galena

Dr. Gunning has more than 20 years of diverse and valuable experience in mineral exploration, regional mapping and geological research. Currently the President and CEO of Triex Minerals Corporation (a TSX Venture issuer), Dr. Gunning previous was the principal Mineral Deposits Research Geologist for the province of Saskatchewan, and was responsible for publication and presentation of Exploration and Development overviews for the province. Dr. Gunning has also successfully managed the Minerals Group within the Strategic Development division of Saskatchewan Industry and Resources (SIR) where he successfully proposed, developed and initiated a new Natural Gas from Coal initiative for the province. Prior to joining SIR in 2002, Mike was a Senior Project Geologist in Exploration at Teck Cominco, exploring in the Canadian Arctic and South America.

Dr. Gunning has a Ph.D. in Mineral Deposits and volcanology from the University of Western Ontario. His work was supported by the GSC and is published extensively.

### **Robert Weicker – Director**

Mr. Weicker is a current Director of Kernow.

Mr. Weicker has over 25 years exploration and mining experience in Canada, USA , South & Central America, and Asia. Extensive knowledge of precious metals deposits with a focus on silver. Previously, Manager of Exploration for Newhawk Gold Mines Ltd, and President of Alto Minerals Inc. Current Director of several public exploration companies including Triex Minerals and Kernow Resources.

### **Qualifying Transaction**

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

The Proposed Transaction is subject to shareholder approval of Galena, Kernow and Green Bull and the parties entering into a definitive agreement on or before September 30, 2009.

Galena has agreed to lend to Kernow or any of the Kernow subsidiaries, such amounts on such terms and subject to such conditions to which the parties hereto may agree, subject to the prior acceptance of the Exchange if the amount of such indebtedness exceeds \$25,000 in the aggregate. No funds have been advanced to date

A sponsor has not been retained in connection with the Qualifying Transaction.

A press release with further particulars relating to the Proposed Transaction will follow in accordance with the policies of the Exchange.

The technical data contained in this News Release relative to the Jales-Gralheira, Poço da Freitas and Alto Sobrido projects 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.

The technical data contained in this News Release relative to Green Bulls On Strike North Claim Group and the On Strike South Claim Group s has been reviewed and verified by Derrick Strickland P.Geol. "qualified person" for the purposes of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian securities administrators.

### **Contacts**

For further information concerning Kernow's activities please visit its web site at [www.kernowresources.com](http://www.kernowresources.com) or contact Mr. Alan Matthews by telephone in Portugal at + (351) 93 676 0927 or by facsimile at + (351) 22 609 5185 or by e-mail at: [piran@mindspring.com](mailto:piran@mindspring.com).

***"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