

Suite 314 – 800 West Pender Street
Vancouver, British Columbia
Canada V6C 2V6



Telephone: (604) 669-4677
Facsimile: (604) 669-9626
Toll Free: (888) 895-5522

ST. ELIAS MINES LTD.

Trading Symbol: TSX-SLI
Web Site: www.steliasmines.com

Trading Symbol: **SLI** (TSX Venture Exchange)
EKL (Frankfurt Exchange)
SELSF (U.S. Clearing Symbol)

News Release 2009-25
December 23, 2009

NEWS RELEASE

TESORO GOLD PROJECT, PERU - Bulk Sample Taken from C2 Vein Returns Average Grade of 2.02 oz/t (62.83 g/t) Gold

Lori McClenahan, President of St. Elias Mines Ltd. (“St. Elias” or the “Company”), is pleased to announce that an additional 13 tons of bulk sample material has been processed and has returned an average grade of 2.02 oz/t gold. The sample was obtained from the C2 Vein at the Tesoro Gold Project (the “Property”) located in southwestern Peru and is part of the Company’s ongoing underground exploration program.

The bulk sample material was extracted from the C2 Vein. The bulk samples were processed at the milling facility of Dynacor Gold Mines Inc. located immediately north of the Property. To date, a total of 17.1 tons of bulk sample material averaging 2.94 oz/t gold has been extracted from ongoing underground exploration development at the C2 Vein at the Tesoro Property including 4.1 tons averaging 5.84 oz/t gold and 13 tons averaging 2.02 oz/t gold.

To date, a total of 1,098 tons of bulk sample material averaging 0.90 oz/t gold has been extracted from ongoing underground exploration development at the Tesoro Property including:

- 643 tons averaging 0.77 oz/t gold from the A4 Vein;
- 438 tons averaging 1.01 oz/t gold from the C1 Vein; and
- 17 tons averaging 2.94 oz/t gold from the C2 Vein.

The Tesoro Gold Project is 100% owned by the Company with no underlying royalties. The Property covers 2,000 hectares (5,000 acres) and is part of the well-known gold-bearing Nazca-Ocoña belt that is located in southern Peru. The continuity of the quartz veins is impressive in the Nazca-Ocoña belt. While the veins tend to be narrow, the gold grade is significant and the mineralized structures tend to extend along strike for kilometres and to depths of up to 1,000 metres.

To date, the Company has identified five mineralized zones with more than 50 quartz veins (having a total combined length of 9 km) at the Tesoro Project. The veins are mesothermal, indicating that the vein structures may extend to considerable depths. The Tesoro Property has never been evaluated to depth, or to its full strike potential. This leaves a large potential for the discovery of additional mineralization.

All technical work is being supervised by, and the contents of this news release have been verified by, John Brophy, P.Geo., a Canadian geologist residing in Peru, who is a “qualified person” as defined in National Instrument 43-101, Standards of Disclosure for Mineral Projects.

The Company has granted incentive stock options to certain of the Company’s directors, officers, employees and consultants to purchase up to 2,500,000 common shares under the Company’s Stock Option Plan. The options will be granted for a period of two years, commencing on December 23, 2009 at a price of \$0.30 per share

For additional information on St. Elias and its projects, please visit us at www.steliasmines.com or call 1-888-895-5522 (toll free US and Canada).

ST. ELIAS MINES LTD.

(signed “Lori McClenahan”)

Lori McClenahan,
President

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or the accuracy of the contents of this document.

This News Release may contain forward-looking statements including, but not limited to, comments regarding the timing and content of upcoming work programs, geological interpretations, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statement