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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 2010-28
July 27, 2010

NEWS RELEASE

St. Elias Mines Ltd. New Gold Bearing Vein at Tesoro Returns Assay Results of 2.51 oz/t Gold

Vancouver, B.C. July 27, 2010 Lori McClenahan, President of St. Elias Mines Ltd. (SLI – TSX:V) (“St. Elias”), is pleased to announce the discovery of a new gold-bearing vein at the Tesoro Gold Project (the “Property”) located in southwestern Peru.

Prospectors engaged to follow up geophysical anomalies from the recent Stage 1 Titan 24 geophysical survey have discovered a new gold-bearing vein (the “N-1 Vein”) near the northeastern area of the Property. The N-1 Vein strikes 330 degrees and dips 75 degrees to the east. Although mainly covered by overburden, the N-1 Vein has been traced for a strike length of 220 meters and is open to the north and south. A sample taken from a 3-meter-deep pit returned assay results of 2.51 oz/t gold across 0.3 meters. Approximately 20% of the gold assay is due to the presence of coarse gold. John Brophy, P.Geo., a qualified person, confirms the width and extent of the vein. Trenching and additional sampling of this area are planned for the future.

Assays and check assays of all samples, including bulk samples, are analyzed by fire assay by ALS Chemex SA laboratory (an ISO certified 9002 facility) in Lima, Peru.

Lori McClenahan, President and CEO, stated *"Another excellent development at Tesoro. There is so much going on with this property – high grade veins, bonanza pods, disseminated gold zones on surface, deep drill targets, shallow drill targets. We are very fortunate to have the opportunity to explore this exciting property."*

Tesoro Gold Project

The Tesoro Gold Project is 100% owned by the Company with no underlying royalties. The Property covers approximately 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 Nazca-Ocoña gold belt has a long mining history dating back to pre-Incan time. Gold is associated with disseminated to semi-massive sulphides in quartz veins cutting a diorite intrusion. The continuity of the quartz veins and fractures is very impressive in the Nazca-Ocoña belt. While the veins tend to be narrow, the grade is significant and the mineralized structures tend to extend along strike for kilometers and to depths of up to 1,000 meters.

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.

Qualified Person

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.

Incentive Stock Options

The Company has granted incentive stock options to certain of the Company’s directors, officers, employees and consultants to purchase up to 500,000 common shares under the Company’s Stock Option Plan. The options will be granted for a period of two years, commencing on July, 27, 2010 at a price of \$1.25 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.