St. Elias Mines Ltd. Intersects 0.74g/t Au over 37.85 metres in Ddh Te-11-06 at Tesoro

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Vancouver, B.C. January 23, 2012: Lori McClenahan, President, St. Elias Mines Ltd. (SLI - TSX:V), is pleased to provide further details with respect to assay results previously announced on January 10, 2012 and the ongoing drill program at the Tesoro Gold Property located in southwestern Peru.

Phase I Drill Program

The previously announced assay results (reproduced below) are initial results from 11 diamond drill holes (4,375 metres of a planned 5,500-metre Phase IA Drill Program at the Tesoro Gold Project.) These assay results represent the initial and ongoing systematic evaluation of high-priority targets identified by the 2009/2010 Titan 24 Geophysical Survey at the Tesoro Gold Property. The anomalies being tested by drilling include IP chargeability highs, resistivity lows and highs, and MT derivatives, as well as various combinations of these anomalies. Summary drilling results will be announced upon completion of the Phase IA Drill Program and compilation/interpretation of all data.

Drilling to date has focused on testing the Quantec Titan 24 geophysical targets primarily surrounding and within the large "ovoid" chargeability anomaly at Zona Central. Drill Hole TE-11-06 is located along the main Tesoro structural trend on the northern flank of this anomaly.

Drill Hole TE-11-06 returned compelling initial results and, while additional drill testing is required, the Company is in the process of completely sampling Drill Hole TE-11-06 from 60m to 170m on minimum 1.5-metre intervals to more accurately define a potential, bulk-tonnage mineralized target. The interval from 90.6m to 128.5m in Drill Hole TE-11-06 assayed 0.74g/t Au over 37.85m, and includes 0.74m of 23.5g/t Au at 112.26m and 0.35m of 9.6g/t Au at 113.32m. These mineralized intersections have been interpreted to be related to widespread resistivity lows identified from the 2009/2010 Titan 24 Survey. This correlation has led management to utilize these Quantec resistivity lows zones associated with the known mineralized corridors to fine tune additional exploration targets for drilling.

The large "ovoid" geophysical (chargeability) anomaly identified by the Quantec Titan 24 Survey at depth on the Property has been limitedly tested by diamond drilling on this round of drilling. The Quantec survey data is currently being re-evaluated and re-interpreted to take into account the latest drill results in correlation with the geophysical targets.

Several sampled (halved core) intervals were noted to contain sulphide mineralization. Sulphide mineralization is directly associated with quartz/carbonate veins and/or veinlets and the restricted areas of alteration surrounding these veins. A review of the assay data compiled to date indicates a correlation between these visible sulphides and gold mineralization.

The Company is in the midst of a systematic program of re-sampling and drill core analysis with a focus on increasing the sampling intervals both above and below any noted quartz/sulphide intersections, and where areas of multiple sulphide mineralization were noted, continuous sampling through these zones to combine one single sampled interval. In this capacity, potentially mineralized wall rock between close spaced mineralized veins can be tested, towards bulk tonnage mineral potential.

Lori McClenahan states "While it is still early days for our flagship project (the "Tesoro"), we are very excited as initial drilling at Tesoro has confirmed gold mineralization at depth. We are using logical and systematic exploration steps and techniques to guide us in our exploration efforts. Much more exploration/drilling is warranted at the Tesoro. This is just the beginning."

The second drill rig, capable of drilling >=1,000m holes, is onsite and turning. The addition of this second drill rig will result in increased productivity and quicker turnaround time for geological information and chemical analyses. Additional infrastructure, including expansion of camp facilities, additional water trucks and personnel (including two additional on-site geologists has been completed. There are currently four fulltime geologists working on the project under the guidance of James Thom, M.Sc. and Paul D. Gray, P.Geo.

Initial Drill Results

Summary table of >1g/t Au assay results from the first 11 drill holes of the 2011 Tesoro Gold Property

Hole ID	Hole Depth (meters)	Zones Tested	From (meters)	To (meters)	Interval (meters)(2)	Au (ppm or grams)	Au (ounces)
DDH_TE_01	241.50	Central	151.45	152.02	0.57	4.144	0.12
?	?	?	154.71	154.97	0.26	4.551	0.13
DDH_TE_02	250.50	Central	30.80	31.22	0.42	3.432	0.10
DDH_TE_03	350.50	Central	183.26	183.53	0.27	1.441	0.04
?	?	?	204.79	204.93	0.14	2.974	0.09
DDH_TE_04	576.10	Central	270.66	270.84	0.18	1.148	0.03
?	?	?	330.69	331.12	0.43	9.438	0.28
DDH_TE_05	301.40	Central	29.33	29.46	0.13	2.074	0.06
?	?	?	156.88	157.13	0.25	11.64	0.34
DDH_TE_06	338.10	Central	91.60	92.32	0.72	1.508	0.44
?	?	?	112.26	113.00	0.74	23.50	0.69
?	?	?	113.32	113.67	0.35	9.582	0.28
?	?	?	124.70	125.70	1.00	1.051	0.03
?	?	?	126.70	127.50	0.80	1.594	0.07
?	?	?	156.09	156.46	0.37	5.089	0.15
DDH_TE_07	380.25	Canchete	15.07	15.26	0.19	1.906	0.56
?	?	?	62.07	62.28	0.21	1.252	0.04
?	?	?	96.69	96.90	0.21	9.713	0.28
?	?	?	119.25	119.49	0.24	19.74	0.58

Hole ID	Hole Depth (meters)	Zones Tested	From (meters)	To (meters)	Interval (meters)(2)	Au (ppm or grams)	Au (ounces)
?	?	?	133.46	133.59	0.13	2.744	0.08
?	?	?	145.89	146.01	0.12	6.136	0.18
?	?	?	146.88	147.00	0.12	1.926	0.06
?	?	?	168.76	169.00	0.24	5.964	0.17
?	?	?	169.29	169.38	0.09	1.473	0.04
?	?	?	213.06	213.19	0.13	2.10	0.06
?	?	?	213.19	213.45	0.26	5.353	0.16
DDH_TE_08	330.00	Canchete	31.70	31.85	0.15	1.353	0.04
?	?	?	44.90	45.00	0.10	1.180	0.03
?	?	?	53.07	53.19	0.12	2.233	0.07
?	?	?	90.50	90.69	0.19	2.283	0.07
?	?	?	93.88	94.12	0.24	1.827	0.05
?	?	?	121.35	121.50	0.15	4.907	0.14
?	?	?	137.77	137.98	0.21	4.579	0.13
?	?	?	195.50	195.80	0.30	3.97	0.12
?	?	?	213.41	213.54	0.13	3.468	0.10
DDH_TE_09(1)	604.70	Central	533.44	533.78	0.34	0.416	0.01
DDH_TE_10(1)	500.20	Central	63.95	64.02	0.07	0.259	0.01
DDH_TE_11	501.25	Central	52.00	52.30	0.30	1.069	0.03

(1)Highest gold value obtained in these drill holes

(2)The gold grades are uncut and the intercept reported drill core intercept widths do not necessarily reflect the true width of the mineralization encountered.

The Company utilizes an industry-standard quality assurance/quality control program. HQ and NTW diamond drill core is sawn in half with one-half shipped to the ISO-certified Canadian Institute of Mining, Metallurgy and Petroleum Peru SA assay laboratory in Lima, Peru, for chemical analysis. Blanks, duplicates and certified reference standards are inserted into the sample stream to monitor laboratory performance.

A Brief History of the Tesoro Gold Project

The Tesoro Gold Project is 100% owned by the Company with no underlying royalties. The Property covers approximately 6,974 hectares (17,436 acres) and is part of the prolific 300km X 30km Nazca-Ocona gold belt parallel to the Pacific coast of southwestern Peru. The Nazca-Ocona gold belt has a long mining history dating back to pre-Incan time. Gold is associated with disseminated sulphides that seeped into quartz veins and fractures within the intrusive body. The continuity of the quartz veins and fractures is very impressive in the Nazca-Ocona belt. While the veins tend to be narrow, the grade is significant and the mineralized structures tend to extend along strike for several kilometers and to depths of up to 1,000 meters.

The Company has identified five mineralized zones with more than 50 quartz veins (having a total combined length of 9km) at the Tesoro Project and has carried out underground exploration and development work on three of these veins (C1, C2 and A4 Veins.) The veins are mesothermal, indicating that the vein structures may extend to considerable depths.

To date, a total of 1,157 tons of bulk sample material averaging 0.93 oz/t gold has been extracted from ongoing underground exploration development at several locations on the Tesoro Property including:

- ?.643 tons averaging 0.77 oz/t gold from the A4 Vein;
- ?.451 tons averaging 0.99 oz/t gold from the C1 Vein; and
- ?.63 tons averaging 2.04 oz/t gold from the C2 Vein.

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, Paul D. Gray, P.Geo., who is a "qualified person" as defined in National Instrument 43-101, Standards of Disclosure for Mineral Projects.

For additional information on St. Elias and its projects, please visit us at www.steliasmines.com or call
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ST. ELIAS MINES LTD.

(signed "Lori McClenahan")

Lori McClenahan,

President

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