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**NEWS RELEASE**

DATE: 09, August, 2007

**DRILLING COMPLETE ON THE BARRANCOS GOLD COPPER PROPERTY  
PROVISIONAL ASSAY RESULTS FROM THE LIRIO PROJECT**

Mr. Alan Matthews, President of Kernow Resources & Developments Ltd., is pleased to provide the following update regarding the completion of the drilling program at the Lirio Project on the Barrancos Concession. The Barrancos Concession is located in Southern Portugal. The work is being undertaken as part of the Option Agreements with Rio Narcea Gold Mines Ltd. ("RNGM") whereby Kernow has the right to acquire up to a 100% interest in each of the Barrancos property and Alandroal property. (See News Release dated 18 October 2006).

***Barrancos Concession***

The Barrancos Property currently covers an area of 129.0 square kilometres. There are several gold and copper showings, prospects and past producing copper mines on the concession. Much of the mineralisation is interpreted to be associated with post Silurian altered volcanics, hydrothermal polymictic breccias and mineralised shear zones.

Kernow initially has concentrated its exploration activities at the Lirio prospect where it has completed three diamond drill holes for a total of 193.45 meters. Kernow has also recently completed two holes for a total of 175 meters on the Mina Mercês project located some 1.25 kilometres north of Lirio. Results from this drilling are pending.

***The Lirio Prospect***

**Highlights of the drill results and surface sampling campaign are:**

**5.52 meters grading 6.56 g/t gold and 0.63% copper in drill hole KBL-01**

**1.1 meters grading 2.92 g/t gold and 6.24% copper from chip/channel sample in an adit located 25 meters to the southwest of Hole KBL-01**

***The Target***

Prior sampling by Rio Narcea in the area of the Lirio prospect identified gold and copper mineralisation associated with flat lying quartz carbonate veins and higher grade gold mineralisation is found within thin flat lying veins of arsenopyrite. Higher copper values are seen to be associated with a structure that can be traced to the southwest and seen in an adit 25 meters from the hole KBL-01. This copper mineralisation is hosted in a highly altered volcanic tuff. Kernow took a sample (#6870) from the adit that returned assay values of 2.925 g/t gold and 6.24 % copper across an apparent true width of 1.1 meters. Further sampling of the adit will be undertaken when it is cleaned out.

Kernow has undertaken confirmatory sampling and reconnaissance sampling at the Lirio prospect (see News Release dated 18, June 2007).

**Hole KBL-01. Dip -85° Azimuth 125°, Depth 50.18 meters.**

This hole was designed to intersect the extension of the flat lying vein system seen in the surface sampling and the copper mineralisation seen in the adit sampling.

The assay results from the main mineralised structure are reported below.

**Hole KBL-01**

From Meters	To Meters	Interval meters	Gold g/t (grams per tonne)		Silver g/t (grams per tonne)	Copper %
				Repeat		
8.18	9.15	0.97	2.01	2.36	9.2	2.68
9.15	9.65	0.50	0.02		-0.3	0.71
9.65	11.68	2.03	17.82	14.62	1.6	0.25
11.68	12.68	1.00	0.08		-0.3	0.01
12.68	13.70	1.02	1.47	0.82	-0.3	0.02
13.70	14.73	1.03	0.21		-0.3	>0.01

The mineralised interval containing 6.56 g/t gold and 0.63% copper across 5.52 meters (8.18 meters to 13.70 meters) has been calculated using the average of the repeat and original assay values. It should be noted that in the section of the hole between 9.65 meters and 11.68 meters, core recovery was recorded as being 30%.

The assay intervals are believed to approximately represent the true width of a flat lying structure. Insufficient data is available to currently confirm this.

Below the zone of mineralisation moderately anomalous values for copper were seen to be associated with low angle carbonate/quartz veins. Values for copper ranged from 26 ppm (parts per million) copper to 636 ppm copper. Gold values ranged from -0.005 ppb (parts per billion) gold to 210 ppb gold. These values were recorded between 14.73 meters to 23.10 meters. Minor values for copper and gold were recorded to the end of the hole at 50.18 meters.

**Hole KBL-02. Dip -45° Azimuth 125°, Depth 65.68 meters.**

This hole was targeted to intersect the extension of the flat lying vein system and the copper bearing structure encountered in Hole KBL-01. The hole was positioned approximately 68.0 meters north east of KBL-01. The assay results from the mineralised structure are reported below.

**Hole KBL-02**

From Meters	To Meters	Interval meters	Gold g/t (grams per tonne)	Silver g/t (grams per tonne)	Copper ppm (parts per million)
38.84	39.80	0.96	0.61	-0.2	394
39.80	40.65	0.85	0.03	-0.2	595
40.65	41.36	0.71	0.01	-0.2	495
41.63	42.17	0.54	0.09	-0.2	509
42.17	42.92	0.75	0.11	-0.2	366

Mineralisation was observed to occur in black friable schists with multiple low angle carbonate/quartz veins with occasional chalcopyrite and pyrite occurring in the veins. Anomalous gold values were not associated with the flat lying vein system containing arsenopyrite.

Minor gold mineralisation (12 ppb to 37 ppb) and minor copper mineralisation (94ppm to 329 ppm) was also noted at the beginning of the hole from 1.38 meters to 5.57 meters

The assay intervals are believed to approximately represent the true width of a flat lying structure. Insufficient data is available to currently confirm this.

**Hole KBL-03. Dip -60° Azimuth 240°, Depth 77.59 meters.**

This hole was again targeted to intersect the extension of the flat lying vein system and the copper bearing structure encountered Hole KBL-01. The hole was positioned 53 meters north east of KBL-01 and 61 meters southwest of Hole KBL-02

**Hole KBL-03**

The assay results from the mineralised structure encountered are reported below.

From Meters	To Meters	Interval meters	Gold g/t (grams per tonne)		Silver g/t (grams per tonne)	Copper ppm (parts per million)
				Repeat		
37.80	38.70	0.90	0.01		-0.3	111
38.70	39.35	0.65	2.18	1.102	-0.3	37
39.35	40.35	1.00	0.01		-0.3	38
40.35	41.49	1.14	0.05		-0.3	202
		2.79 meters				

In the intercept 38.70 meters to 39.35 meters mineralisation was observed to occur in banded schists with a 0.5cm pyrite veinlet at 30° to the core axis. The hole is believed to have intersected a flat lying structure. Therefore the true width of the interval may be considered to be 2.4 meters (the gold mineralisation having a width of 0.50 meters). Insufficient data is available to currently confirm this.

Mildly anomalous values for copper (from 38 ppm up to 370 ppm across 1.0 meter widths) were recorded in the hole above the mineralised intersection along a core length of 6.7 meters from 22.30 meters to 29.00 meters. This mineralisation was hosted in banded schists with irregular calcite/ankerite veinlets with minor chalcopyrite occurring in the veinlets.

Mr. Matthews states:

Kernow is very pleased to have been the first company to drill test the Lirio prospect. The results obtained from Hole KBL-01 along with the surface sampling are very encouraging. The results from KBL-02 and KBL-03 need further assessment and geological interpretation. The value obtained from sampling of the adit also shows the potential for high grade copper mineralisation with accompanying gold values at the Lirio prospect.

**Other prospects in the Barrancos Concession**

**Mina Aparis**

A former producing underground copper mine, which operated intermittently from 1889 to 1975. Mina Aparis is located approximately 10 kilometres to the west of the Lirio prospect. Production was from veins mined to a maximum depth of 150 meters. The vein system is recorded as being in excess of 3,000 meters in length. Infrastructure related to the milling operations remains on the property including buildings that contained a small flotation mill. Prior to its closure the mine was operated by the SFM (Serviço Fomento Mineiro) a state

organisation. Government records show that between 1961 and 1975 the mine produced 8,100 tonnes of copper concentrate with a grade of between 23% and 35% copper. This is historical data and has yet to be confirmed.

Kernow plans further investigation of this project.

### **Mina Minancos**

The Mina Minancos was mined for copper at the turn of the 19<sup>th</sup> century, production was limited and is reported to have been from narrow (less than 1.0 meter) high grade veins. Both Rio Narcea and Kernow have undertaken sampling of float and dump material at Mina Minancos. Copper values from float and dump samples ranged between 13 ppm copper and 12.8% copper. Further mapping and sampling is planned for the area. Minancos is some 3.0 kilometres east of the Lirio project.

### **Quality Control and Quality Assurance.**

All samples for gold were assayed by assay method Au3 or Au4. Sample preparation and analytical work is undertaken at OMAC Labs. Ltd. in County Galway, Ireland (an ISO certified 9002 facility) 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 Au 4, 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 were included with Kernows 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. Zero value blanks were also inserted into the sample stream.

### **About Kernow**

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

The data contained in this News Release has been reviewed and verified by Kernows President, Alan F. Matthews, C.Eng., a “qualified person” for the purposes of National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

For further information concerning Kernow’s activities please contact Mr. Alan Matthews by telephone in Portugal at + (351) 93 676 0927 or in Canada contact Mr. Gary Zak at (604) 630 1388 or by visiting the Company’s web site at [www.kernowresources.com](http://www.kernowresources.com).

*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of the content of this news release.*

*This news release contains 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*