



May 2, 2006

Yukon Resources and Virginia Mines Sign Binding Agreement on Sagar Uranium/Gold Property Located Within the Labrador Trough in Northern Quebec

Yukon Resources Corp. (OTCBB:YUKR)(FWB:YE5) -

TORONTO, ONTARIO--(MARKET WIRE)--May 2, 2006 -- Mr. Kirk McKinnon, President & CEO of Yukon Resources Corp. (Yukon) (OTC BB: YUKR.OB - News)(FWB:YE5) and Mr. Andre Gaumond, President & CEO of Virginia Mines Inc. (Virginia) are pleased to announce the signing of a binding agreement wherein Yukon has the option to acquire an undivided 75% participating interest in 200 claims constituting the Sagar property, located in the Labrador Trough in Northern Quebec.

SAGAR Property Highlights

- The significant mineral potential for uranium-gold and copper mineralization is well demonstrated by the abundance and diversity of uranium-gold and copper showings found to date on the property.
- The most spectacular mineralization is from the Mistamisk boulder field which contains 150 boulders that range up to 474 g/t Au and 0.36% U.
- Several other uranium-gold showings have been defined on the property, the most significant being the Viking (grab samples assaying as high as 223 g/t Au and 0.1% U), the Eagle (grab samples assaying as high as 5.4 g/t Au and 1% U), and the Kish (grab samples assaying as high as 1 g/t Au and 1% U) showings.
- Significant sedimentary hosted copper mineralization has also been defined, the most significant being the Dehli-Pacific (4.2% Cu over 7.6 meters in a drill hole) and a pre 43-101 mineral resource of 18Mt @ 0.5% copper hosted by the 1.5 kilometre long Bacon-Ronsin Horizon.

The geological setting of the property is the northwest trending Romanet Horst within the Labrador Trough. The significant mineral potential of this geological setting is well demonstrated by the abundance and diversity of uranium-gold showings, which range from veins to breccia's to shear zones. There is locally significant sedimentary-hosted copper mineralization. The most spectacular mineralization found to date is the 500 x 200 meter Mistamisk boulder field which contains 150 boulders that range up to 474 g/t Au and 0.36% U, with an average for individual boulder's of 50 g/t Au and 0.3% U. The boulders discovered within the Mistamisk boulder field range in length from 0.30 to 2.0 metres. Previous work has not determined the bedrock source of this boulder field.

Copper mineralization has been defined in a number of locations, the most significant being:

- The Dehli-Pacific showing which has reported 4.2% Cu over 7.6 meters within a drill hole that intersected a shear zone along a sediment-gabbro contact.

- Stratabound copper mineralization occurs over 1.5 kilometres of strike length in a host referred to as the Bacon-Ronsin Horizon. A pre 43-101 mineral resource of 18Mt @ 0.5% copper was outlined by the Hollinger North Shore and Exploration Co. in the early 1960's.

Terms of Agreement

Under the terms of the agreement, Yukon has the option to earn a 75% interest in the property by issuing to Virginia 2,000,000 shares and 2,000,000 purchase warrants of Yukon, exercisable at US\$1.00 for a 3-year period, and by incurring total exploration expenditures of \$2,000,000 on the property by August 31, 2008. Furthermore Virginia has the option at anytime to sell its remaining 25% participating interest of the Sagar property to Yukon in consideration of 1,000,000 shares and 1,000,000 purchase warrants of Yukon. The share purchase warrants shall be exercisable at a price equal to the 20-trading day weighted average closing price preceding the selling date and shall be valid for a 2-year period from the date of issuance. Once Yukon has earned a 100% interest in the property, Virginia shall retain a 1.5% royalty (NSR).

Virginia also keeps a 51% back-in right in any gold discovery with a 43-101 indicated resource of no less than 500,000 ounces by issuing a cash payment or a share certificate equivalent to an amount equal to 2.5 times the expenditures incurred by Yukon at such date. Upon exercising its back-in right, Virginia would then become the operator of the gold property.

About Yukon Resources Corp.

Yukon Resources Corp. is a rapidly emerging uranium exploration company with assets in Arizona, Finland and now in Northern Quebec. Yukon trades on the OTCBB under the symbol YUKR as well as the Frankfurt Exchange under the symbol YE5. The company continues to focus on high priority uranium property acquisition and exploration in order participate in meeting the significant and increasing demand for uranium as an alternative energy source.

About Virginia Mines Inc.

Virginia Mines Inc. is among the most active mining exploration companies in Quebec with a working capital of around \$35 million. Virginia trades on the Toronto Stock Exchange under the symbol VGQ. Virginia concentrates its activities on its numerous properties that are spread over the vast unexplored regions of northern Quebec.

July 2006 Exploration Program

A large database of past work is readily available which will allow Yukon to formulate a focused exploration program that will bring the property to a drill ready stage in short order. Yukon has retained GeoVector Management Inc. to plan and manage their upcoming exploration program, which is scheduled to commence in July.

The principals of GeoVector, in particular Alan Sexton, have previous experience on the Sagar Property and consider the exploration potential for significant uranium-gold and copper mineralization to be very high.

Alan Sexton (P.Geol) is the qualified person for all the technical information contained in this press release.

Safe Harbor statement under the Private Securities Litigation Reform Act of 1995: Except for historical information contained herein, the matters discussed in this press release are forward-looking statements that involve risks and uncertainties, including but not limited to economic, competitive, governmental and technological factors effecting the Company's operations, markets, products and prices and other factors discussed in the Company's various filings with the Securities and Exchange Commission.

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