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Yukon Resources Initiates First Phase Exploration Program on its Highly Prospective Sagar Property

VANCOUVER, BRITISH COLUMBIA-- Yukon Resources Corp. (OTCBB:YUKR)(FWB:YE5) -

Yukon Resources Corp. (OTCBB:YUKR)(FWB:YE5) is pleased to announce that it is in the final stages of arranging the logistical support work for its 2006 field program on its highly prospective Sagar Uranium - Gold - Copper Project located in the Labrador Trough area of northern Quebec. The exploration program will commence on July 20th in conjunction with the required work permits being granted.

GEOVECTOR MANAGEMENT

GeoVector's consulting geologists and geo-physicist will oversee all exploration activity and have spent the last two months assembling a platform of current and new data to support Yukon's initial exploration activity. This included a comprehensive upgrading of the GIS database including reprocessing of the 1994 Kennecott airborne magnetic/EM/radiometric data and the 1997 Inmet gravity data. This has allowed outside experts to complete detailed structural and geochemical studies that have identified new target areas and reinforced targets previously recognized by Yukon's consultants.

The planned work programs will include a water survey, designed to provide a property wide layer of geochemical information by collecting 6 samples per km², with an increase in sample density to 10-12 samples per km² in 8 specific areas. These target areas consist of numerous high-grade uranium, gold and copper anomalies that are associated with large scale structures identified from the GIS database. This work will be conducted in conjunction with Robert Jackson, a geochemist who examined the GIS data for the Sagar Project and created a proposal for the water-sampling program. GeoVector strongly recommended that this program be undertaken.

Roman Tykajlo, GeoVector's in-house geophysicist reprocessed the 1994 Kennecott airborne magnetic/EM/radiometric data and the 1997 Inmet gravity data, and downloaded and georegistered a Landsat image for the Sagar area. This information was provided to Paul McNeill for his structural study (see below), and forms part of the updated GeoVector GIS project. Roman also inferred a number of faults from the data, and his thoughts on possible targets are incorporated into the description of targets.

Paul McNeill, a structural geologist also reviewed the Sagar GIS data and in conjunction with GeoVector generated a significant number of high priority targets. This fieldwork is intended to quantify McNeill's and GeoVector's area selections and elevate them to drill targets.

SAGAR CAMP FACILITY

The Sagar Exploration Program will be staged from a totally refurbished camp located near the center of the claim group situated approximately 120 kilometers northwest of Schefferville, Quebec. The program will require a field crew of up to 15 personnel utilizing helicopter support.

SAGAR PROPERTY - A JOINT VENTURE WITH VIRGINIA MINES

The property is characterized by an impressive amount of uranium, gold, copper and lead/zinc mineralization of different styles and potential deposit models.

The most spectacular mineralization found to date is the 500 x 200 meter Mistamisk boulder field, which consists of 150 boulders with individual samples averaging 50 grams/ton gold and 0.3% uranium (up to 474g/t Au and 0.36% U). Despite a considerable amount of work carried out by various operators in the past, the source and genesis of the boulders has yet to be defined.

The Sagar Property has also shown good upside potential from previous ground mapping and prospecting, with discoveries of Uranium-Gold showings in albitized sediments:

- Viking showing with grab samples as high as 223 grams/ton gold and 0.1% uranium
- Eagle showing with grab samples as high as 5.4 grams/ton gold and 1.0% uranium
- Kish showing with grab samples as high as 1.0 grams/ton gold and 1.0% uranium

There is also a distinct possibility that an unconformity type of uranium deposit may be present and the search for this deposit type will form a major part of the exploration work this summer.

In addition, Quaternary investigations will be undertaken to determine glacial deposition and dispersion directions. This work is designed to locate the source of the +150 high-grade gold and uranium boulders that occur on the property.

The bulk of the field work will consist of extensive prospecting and reconnaissance geological mapping, concentrating on areas previously recognized as containing promising uranium, gold and copper showings. The field crews will be equipped with scintillometers and spectrometers for evaluating the numerous uranium anomalies discovered during previous exploration programs.

The goal of the 2006 fieldwork will be to define specific areas for detailed ground geophysical studies and to develop drillable targets for continuing exploration programs. The field program will be carried out under the direction of GeoVector Management Inc. and includes outside experts in structural, geochemical and Quaternary studies and fieldwork.

EXPLORATION BUDGET FOR SAGAR

The proposed budget to complete the Summer 2006 Phase 1 Exploration Program is estimated at \$700,000 CDN. There is some flexibility to expand the program as required and the program is intended to quantify the drill targets for the next phase of Exploration.

OTHER PROPERTIES

- Arizona: Based on GeoVector's preliminary analysis and recommendations, Yukon is currently adding to its land position in Arizona. The company is focused on areas of earlier exploration and mining success, including Gila County.

- Finland: Yukon has recently acquired 20 claim reservations in Finland covering 150 square kilometers. Recent diamond drilling in the area by Agricola Resources intersected drill holes with widths of over 7 meters with the best assays being returned at 0.33% Uranium.

Safe Harbour 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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