



**August 21, 2006**

**Yukon Resources Completes a NI43-101F1 Report on its Recently Acquired Sagar Property Located in Quebec which it Holds in a Joint Venture with Virginia Mines-Report is Posted on Company Website**

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

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Hadyn Butler, P. Geo and Craig Scherba, P.Geo., both of whom are considered independent qualified persons have completed the NI43-101F1 report on the Sagar Property located in northern Quebec. Canadian National Instrument 43-101 provides strict standards of disclosure for company mineral projects and was also authored to ensure compliance with Securities Exchange Commission regulations for the distribution of such documents. A NI43-101F1 report is written by qualified persons and details the technical features of a Toronto Stock Exchange approved property of merit. (see [Press Release dated June 2, 2006](#)).

**Yukon Resources will be utilizing the NI43-101F1 report as part of its application and requirement for obtaining a listing on the Toronto Venture Exchange. This will facilitate the ability to utilize flow-through financings/funds on the Corporation's Canadian properties.**

Yukon Resources Posts Comprehensive Report on Website

The Sagar Property NI43-101F1 report is now posted on the Corporation's website ([www.yukr.com](http://www.yukr.com)). We encourage all interested stakeholders to review this comprehensive document on the highly prospective Sagar Property.

The Sagar Property

The property occurs in the northwest-trending Romanet Horst on the west side of the Labrador Trough. The significant mineral potential of this geological setting is well demonstrated by the abundance and diversity of uranium-gold showings discovered to date, which range from veins to breccias to shear zones. There is also locally significant sedimentary-hosted copper mineralization.

Sagar Property - Summer 2006 Exploration Program

A total of 8 targets were selected for evaluation based on historical data. The program's main objectives were to complete the process of project familiarization, to obtain a property wide layer of geochemical information, and to evaluate and prioritize the existing targets, in order to intelligently recommend further work (geophysics/drilling). The work program consists of five main elements: i)

ongoing upgrading of the GIS database; ii) improve camp infrastructure and logistics; iii) complete a detailed water geochemical survey; iv) Quaternary (glacial) investigations; and v) prospecting/reconnaissance geology. The program involved and required a total of 7 Geologists working on the Property during this initial phase.

The summer exploration program was completed on August 18, 2006 while meeting all of the above noted objectives. In addition to verifying the historical information on the existing targets, a number of new occurrences were also discovered. A host of samples were collected which will be sent to laboratories for analysis.

#### Sagar Property - Fall 2006 Exploration Program

Based on the work completed during the summer program, GeoVector Management, Yukon's consulting geologists, have recommended that a geophysical program be conducted in September 2006. This would include line cutting as well as radiometric, IP/ resistivity and magnetometer surveys. Given the number of targets identified and the size of the land area, which would have to be surveyed, it is not possible to cover all the targets within the limited work window available to us in September due to the onset of winter.

Consequently, Yukon in conjunction with GeoVector will select priority targets based on current information gained from the summer program. Ground geophysics will then be conducted on those selected targets and the resulting survey data in conjunction with the summer program test results will form the basis for selecting drill targets.

Proceeding with the fall geophysical program will enable Yukon to conduct a drill program in Spring 2007.

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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