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Results from Initial Exploration Program on Yukon's Sagar Uranium/Gold Property Spark Immediate Implementation of Second Phase Initiative

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

Kirk McKinnon, President & CEO of Yukon Resources Corp. (Yukon) (OTCBB:YUKR)(FWB:YE5) is pleased to announce that Yukon has completed its first phase exploration program on the Company's Sagar Uranium/Gold property, located within the Romanet Horst, which in turn is located within the Labrador Trough, Northern Quebec ([see Press Release dated July 13, 2006](#)).

Results of first phase activities, according to McKinnon, "are sufficiently encouraging, and as a result Yukon has commenced a September geophysical program." The exploration programs are being designed and implemented by GeoVector Management Inc. (GeoVector), of Ottawa, Ontario.

EXPLORATION PROGRAM SUMMARY

OBJECTIVES

Eight target areas were identified for further investigation during the summer exploration program. The main objectives were to "complete the process of project familiarization, to obtain a property-wide layer of chemical information, and to evaluate and prioritize the existing targets in order to intelligently recommend further work (geophysics/drilling)". The fieldwork consisted of a water survey (to delineate concealed U-Au-Cu targets), Quaternary investigations, and prospecting/reconnaissance geology. In conjunction with this, a significant amount of time was spent updating the GIS database. The Sagar camp was refurbished and improved to provide a fully functional base camp, which can accommodate up to 16 field personnel.

GEOCHEMICAL SAMPLING

Yukon's geochemical consultant who was on site from July 25 to August 9 conducted a comprehensive water sampling program during which a total of 599 samples were collected from narrow streams and small ponds which have been sent to Activation Laboratories for analysis.

QUATERNARY INVESTIGATIONS

Yukon's quaternary specialist was on site from July 25 to August 11 during which time he undertook a general overview of the Quaternary geology of the horst and environs, including obtaining 136 measurements of ice flow direction. Particular attention was paid to the Mistamisk boulder field,

where he carefully examined the various boulders, and collected eight site till samples as well as nine regional till samples. These samples have been sent to Overburden Drilling Management in Ottawa for processing (gold grain count, assessment of the heavy metal concentrate etc.), and the fine fraction has been sent to Activation Laboratories for analysis.

GEOLOGY AND PROSPECTING

Reconnaissance geology and prospecting was conducted over the nine identified targets. This work enabled GeoVector to become familiar with the geology and mineral showings of the northwestern Romanet Horst, which resulted in the discovery of several new showings and aided in the ongoing development of geological ideas and exploration strategy for the Sagar project.

Approximately 140 rock samples were collected during prospecting and geological reconnaissance. Samples were collected from both previously known and from newly discovered mineralized showings and boulders. These samples have similarly been sent to Activation Laboratories, and are being analyzed for a package of over 48 elements, including Au, Cu, Ag and U.

PRIORITY TARGETS

Based on the summer work program a number of the initial targets were prioritized and these are summarized below.

A. Royal Montreal Target

This target encompasses the Mistamisk boulder field, consisting of in the order of 150 boulders with an average grade of 50 g/t Au and 0.3% U (see press release of July 13, 2006). A Yukon assay of a sample from a newly discovered boulder assayed 43.4 g/t Au and 1.45% U, confirming the high tenor previously reported from the boulder field. Investigations into the Quaternary geology in and adjacent to the boulder field suggest that the boulders were transported a relatively short distance (less than 5 km) in a north to north-northeast direction.

Gold was panned from the till underlying the boulder field, implying that the mineralized boulders are an integral part of the till, which in turn suggests that the source of the boulders could be determined by persistent examination of the till in three dimensions by utilizing overburden drilling.

B. Capilano Target

A second priority target is an interpreted northwest-trending structure parallel to the margins of the Romanet Horst, located in the north-central part of the horst and controlling at least two Au-U showings, Eagle and Kish. One possibility is that the mineralization seen on surface represents leakage from an underlying, larger deposit, likely associated with the Archean unconformity at the base of the horst. Deep drilling would be necessary to test this theory.

C. Crowbush Target

A major east-northeast trending geophysical discontinuity transects the Romanet Horst in the southern part of the Yukon claims. This structure has not received much previous exploration attention. New uranium occurrences were discovered along the structure, and new Cu occurrences were found close

to two previously known small copper showings, one in the western part of the structure and one in the eastern part. Assays of three Yukon grab samples from the eastern part (Paintbrush showing area) produced results ranging from 0.98 to 5.53% Cu and 0.12 to 0.21 g/t Au. Assays from the other occurrences within this structure are pending.

D. St. George's Target

The eastern margin of the horst contains a number of polymetallic showings which include i) Osprey (GM) with previous reported grab samples of up to 4.88% U₃O₈ and 5.3 g/t Au (different samples); ii) Le Geant (Chibtown), with previous grab samples of up to 2.25% Cu ([see Press Release of August 15, 2006](#)); iii) Delhi Pacific, where previous drilling intersected 4.2% Cu over 7.6 m; iv) Greywolf (Tache Lake), where previous drilling is reported to have intersected 3.5 g/t Au over 1 m; v) Redtail (Simon), where highly radioactive felsic dikes cut fine-grained mafic rocks; and several other less significant Cu-Au showings. These showings have all been visited and sampled; assays are pending.

KEY NEW BOULDER FIELD DISCOVERIES

GeoVector's work also resulted in the discovery of new radioactive boulder fields to the southwest of the Eagle showing and north of the original Mistamisk boulder field. These will be followed up during the September field program.

SEPTEMBER EXPLORATION PROGRAM

The September work will consist of 94 Km of line cutting on the Osprey and Redtail showings and over new occurrences on the Crowbrush Target.

Radiometrics, magnetics, prospecting and mapping will take place over the cut grid areas. The cut lines will also be used for the planned winter 2007 IP survey.

Tom Setterfield (P.Geol.) is the Qualified Person for all the technical information contained in this press release.

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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