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Yukon Identifies Potential Source Area of Mistamisk Boulder Field on its Sagar Uranium/Gold Property and Completes Second Phase of Exploration

Yukon Resources Corp. (Yukon) (OTCBB:YUKR)(FWB:YE5) is pleased to announce that its 2006 exploration activities have generated the necessary information resulting in Yukon's belief that the potential source area of the Mistatmisk Boulder Field has now been identified.

MISTAMISK MYSTERY

The spectacular mineralization found in the Mistamisk Boulder Field has fueled an ongoing drive to discover its source since the late 1980's. The Mistamisk Boulder field is approximately 500 X 250 meters in size and contains many radioactive boulders. In a Virginia Mines report, 70 boulders assayed an average of 64.9 g/t Au and 1.3% U (with values up to 640 g/t Au and 4.11% U). Yukon is the direct beneficiary of the extensive exploration efforts conducted by Virginia Mines and other past operators. These programs have shown that the Sagar Property is characterized by an impressive amount of uranium, gold, copper and lead/zinc mineralization of different styles and potential deposit models.

Armed with this historical data, Yukon, in the summer/fall of 2006 conducted an extensive field exploration program discovering highly mineralized uranium boulders to the north and south of the Mistamisk Boulder field. Quaternary work has confirmed the direction of the ice flow that produced the boulder field and initial water sample results have produced distinct uranium anomalies up ice of the boulder field. Yukon now believes that the potential source area of the boulder field has been identified and is planning a Winter Drill Program to test this hypothesis.

A property-wide water survey was carried out in July/August, with the objective of delineating concealed U-Au-Cu targets. Preliminary interpretation of these results indicates that the most extensive and consistent uranium anomaly on the Sagar property occurs in an area centered approximately 2 km south of the Mistamisk Boulder Field.

ROYAL MONTREAL GRID WATER SURVEY RESULTS AND RADIOMETRIC ANOMALY

Yukon has now received the complete results from a 600-sample water survey undertaken in July/August, 2006.

The water survey anomaly is approximately 2.5 km long and up to 600 m wide, oriented in a northwest direction. It is coincident with the radiometric anomaly delineated on the Royal Montreal grid during the September ground geophysical program, which may represent part of a radioactive

dispersal fan. Quaternary investigations during July/August led to the interpretation of a predominantly northward direction of glacial transport and a relatively short transport distance (less than 5 km). The combination of geochemical and geophysical anomalies in locations consistent with the interpretation of up-ice transport direction and distance from the boulder field is regarded as particularly encouraging.

FINDING THE SOURCE - 3D MODELING & DRILLING

Yukon believes the potential source area of the Mistamisk Boulder Field has now been identified and the paucity of outcrop in the area of the water anomaly suggests that any mineral occurrence is concealed. Yukon also believes that further investigation of the Quaternary geology in three dimensions in conjunction with a winter drill program will be necessary to isolate the exact location of the Mistamisk Boulder Field source.

SECOND PHASE EXPLORATION PROGRAM SUMMARY

This program consisted mainly of line-cutting, radiometric and magnetometer surveys with additional prospecting and geological reconnaissance. The exploration program was designed and implemented by GeoVector Management Inc. (GeoVector), of Ottawa, Ontario.

A total of 98.4 km of line were cut on five separate grids, including the key Royal Montreal Target, located south of Mistamisk Lake, the Crowbush target located on a major east-west structure, and three grids on the St George's target located on the eastern margin of the horst (Osprey, Le Geant and Redtail). Approximately 90 km of radiometric and 80 km of magnetic surveying were conducted on the cut lines. A large radiometric anomaly was defined over the Royal Montreal target and radiometric anomalies were also defined on the Osprey and Redtail grids, over known uranium showings. Induced polarization surveys will be conducted on selected grids in the winter, as well as on new grids in areas that were water covered during the summer exploration programs.

Bill Nielsen (P.Geo.) 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

Yukon Resources Corp.
Investor Information Services
Toll Free: 1 (866) 985-6696
info@yukonresources.com
www.yukr.com

or

Yukon Resources Corp.
Kirk McKinnon
President and CEO
(416) 364-4986 or 1 (800) 818-5442

or

Yukon Resources Corp.
Richard Schler
Vice President and CFO
(416) 364-4986 or 1 (800) 818-5442