

# *Young-Shannon Gold Mines, Limited*

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## **Young Shannon Options Former Producing McMillan Gold Mine Claims**

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**Young Shannon Gold Mines, Limited. (GYS-TSX.V)** is pleased to announce that it has optioned 26 claims 75 kilometers southwest of the Greater City of Sudbury in Mongowen Township. The former producing McMillan gold mine is located within this claim group. The option, from MBMI Resources Inc., gives Young-Shannon the right to earn up to a 60% interest in the former gold producer. The terms of the option, subject to regulatory approval and signing of the formal option agreement, are as follows to earn a 50% interest:

	<b>Cash\$</b>	<b>Shares</b>	<b>Work Commitment (\$)</b>
<b>Upon Signing</b>	10,000	150,000	
<b>1<sup>st</sup> Anniversary</b>	15,000	150,000	200,000
<b>2<sup>nd</sup> Anniversary</b>	20,000	150,000	300,000
<b>3<sup>rd</sup> Anniversary</b>	<u>30,000</u>	<u>200,000</u>	<u>400,000</u>
	<b>\$75,000</b>	<b>650,000</b>	<b>\$900,000</b>

On the 3<sup>rd</sup> Anniversary, Young Shannon will have the option to increase its interest to 60% by spending an additional \$400,000 on the McMillan property and issuing an additional 250,000 shares to MBMI Resources Inc.

Gold was first discovered on the McMillan claims in the early 1920s. By the late 1920s, a vertical shaft and underground exploration was carried out. A 125 ton per day mill was subsequently built and operated until 1937. The McMillan gold mine produced 60,000 tons of gold ore at a recovered grade of 0.18 ounces per ton for a total of approximately 10,800 recovered ounces of gold. It has a vertical shaft to a depth of approximately 875 feet and workings at several levels. Historical records indicate that the mineralization continued below the 900-foot level. The McMillan mine was dewatered and re-sampled underground in 1985-86. This underground sampling from different stopes and headings ranged from 0.07 to 0.48 ounces per ton gold. Based on these results, a work program was recommended consisting of underground diamond drilling in order to determine the continuity of the mineralized structures, but was never completed due to a lack of funds.

In the spring of 2004, MBMI completed a diamond drilling program on the McMillan claims consisting of 1,077 meters in seven holes. The best intersections are listed in the following table:

## Summary of 2004 MBMI Resources Inc. Drilling

<u>Hole Number</u>	<u>Interval (Meters)</u>	<u>Intersection (Meters)</u>	<u>AU (g/tonne)</u>	<u>AU (oz/Ton)</u>
MM-1-04	3.13 – 3.33	0.20	15.46	0.45
	9.15 – 9.69	0.52	13.92	0.40
MM-1B-04	9.90 – 14.55	4.65	11.21	0.33
MM-2-04	113.30 – 118.30	5.00	9.89	0.28
	137.20 – 139.30	2.10	5.79	0.17
MM-3-04	182.75 – 193.60	10.85	7.91	0.23

The 2004 drilling extended the known gold mineralization at the McMillan gold mine 120 meters to the east and 20 meters to the west of the previously mined area to define a 400 meter strike length. The gold mineralization remains open along strike in both directions and at depth below the old workings. Pending regulatory approvals, Young Shannon plans to begin a drill program to follow up and expand the 2004 drill program results this fall.

David Beilhartz, P. Geo. was MBMI's Qualified Person for the 2004 drilling as defined by National Instrument 43-101 and Young Shannon's Qualified Person is Kevin Bullock, P. Eng. Mr. Bullock is a Registered Professional Engineer in the province of Ontario. Swastika Laboratories Ltd. of Swastika, Ontario assayed the 2004 core samples using the fire assay method.

Young-Shannon Gold Mines, Limited is a precious metals exploration company which holds a large group of patented and unpatented claims within Chester Township located west of Highway 144, midway between Sudbury and Timmins, Ontario. Young-Shannon Gold Mines, Limited has 14,463,825 common shares outstanding and 18,503,491 shares fully diluted.

Further details may be obtained from our website: [www.youngshannon.com](http://www.youngshannon.com)

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*This press release contains certain forward-looking statements. While these forward-looking statements represent our best current judgment, they are subject to a variety of risks and uncertainties that are beyond the company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements.*

*No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.*