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Young-Shannon Signs Letter of Intent to Sell 46.25% of Chester Gold Property to Private Company

May 11, 2006 Toronto, Ontario-**Young-Shannon Gold Mines, Limited (GYS-TSX.V)** (“Young-Shannon”) is pleased to announce that the Company has signed a Letter of Intent with a private Canadian company, whereby the private company can earn a 46.25% interest in Young-Shannon’s gold property in Chester Township, Ontario. Coincident with the signing of the Letter of Intent, the private company has paid Young-Shannon a non-refundable deposit of \$CDN 25,000.

The private company will pay \$CDN 2,000,000 (two million dollars), less the deposit amount, to Young-Shannon by June 30, 2006 for an undivided 46.25% interest in the Chester property. Young-Shannon will then hold a 46.25% in the property as well, while the remaining 7.5% interest in the property is held by Condor Gold Corp. Both the private company and Young-Shannon confirm that the terms of the Letter of Intent are non-binding and that the full terms of a binding agreement will be set out in a definitive sale and joint venture agreement upon payment of the \$CDN 2,000,000.

After payment of the \$CDN 2,000,000 by the private company Young-Shannon will have the right to participate in the property on a 50:50 joint venture basis. However, when, and if, Young-Shannon’s interest in the Chester Property is diluted below 10%, then Young-Shannon’s interest would be converted to a 5% net smelter return (NSR) plus a \$CDN 1.50 royalty per ton of ore milled from the Chester Property.

Both the private company and Young-Shannon agree that the transactions contemplated by the Letter of Intent and sale and joint venture agreement shall be subject to the approval of the TSX Venture Exchange.

The Chester gold property, situated some 120 km. south-southwest of Timmins, and 160 km. north-northwest of Sudbury, is comprised of eleven patented, contiguous mining claims, and eighteen contiguous unpatented mining claims. Considerable exploration work has occurred on the property to date, consisting of mapping, geophysics, drilling, trenching, shaft sinking and assaying, which has yielded significant gold results, but still requires further exploration efforts.

A National Instrument 43-101 compliant qualifying report was written for the property in June, 2002 by D. McBride (filed on Sedar), which identified an indicated mineral resource of 222,000 tons grading 0.354 oz/t gold and an inferred mineral resource of 725,000 tons grading 0.16 oz/ton gold on the C-Prime gold

deposit. Two additional drilling campaigns on the property, one in 2004 and one in 2005, continued to deepen and expand the C-Prime gold deposit, however, these recent results have not been included in any update of either proven or indicated mineral resources.

Greg Lipton, P. Geo. is the qualified person for the Company as required under National Instrument 43-101. He is a member of the Association of Professional Geoscientists of Ontario (APGO).

Young-Shannon Gold Mines, Limited is a precious metals exploration company which holds a group of 11 patented and 18 unpatented claims within Chester Township located west of Highway 144 midway between Sudbury and Timmins, Ontario. It also has an option to earn a 60 % interest in the McMillan Gold Mine property, located 75 kilometres southwest of the Greater City of Sudbury. The Company has 24,838,828 common shares outstanding and 28,108,828 shares on a fully diluted basis and is listed on the TSX Venture Exchange under the symbol GYS.

Further details may be obtained from our website: 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.