

Young-Shannon Gold Mines Ltd.
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**Young-Shannon Gold Mines Limited, Announces
Planned Non-Brokered Private Placement of Up To
CDN\$ 660,000.00**

August 30, 2006, Toronto, Ontario, Canada

Greg Lipton, President and CEO of Young-Shannon Gold Mines, Limited (Young-Shannon) (**GYS-TSX.V**) is pleased to announce that the company has arranged a non-brokered private placement of up to 6 million units at a price of \$CDN 0.11 per unit for gross proceeds of up to \$CDN 660,000.00. Each unit will consist of one common share of Young-Shannon and one-half of one common share purchase warrant. Each whole common share purchase warrant will entitle the holder thereof to purchase one common share of Young-Shannon at a price of \$0.15 per share for a period of eighteen months following the closing date of the private placement.

Young-Shannon anticipates closing of the private placement within 10 business days from this date.

Completion of the private placement is subject to receipt of all applicable Board and regulatory approvals and consents, including the approval of the TSX Venture Exchange. All securities issued in connection with the private placement shall be subject to a four month statutory hold period.

Proceeds of the financing will be used to fund geophysics and drilling exploration on its McMillan Gold Mine property near Espanola, Ontario, as well as to evaluate additional property submissions currently before the Company.

Young-Shannon will focus this next phase of down hole geophysics and drilling on extending the impressive gold assay results identified this past spring on the McMillan Gold Mine property in drill hole MM-05-13. A zone was intersected in this drill hole which averaged down hole grades and widths of **7.21 g/t gold over 21.3 metres including sections of 8.12 g/t gold over 4.60 metres, and 14.96 g/t gold over 8.60 metres, including 22.65 g/t gold over 4.70 metres, 27.72 g/t gold over 3.10 metres, and 35.70 g/t gold over 2.10 metres.**

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 25,198,828 common shares outstanding and 28,468,828 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.