

**NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR
DISTRIBUTION TO U.S. NEWS WIRE SERVICES**

*Young-Shannon Gold Mines Ltd.
330 Bay St., Suite 1100
Toronto, Ontario M5H 2S8
Tel: 416-861-8351*

**Young-Shannon Gold Mines Limited Closes
Non-Brokered Private Placement of \$613,250.00**

October 12, 2006, Toronto, Ontario, Canada

Young-Shannon Gold Mines, Limited (“Young-Shannon”) (GYS-TSX.V) is pleased to announce that the Company has closed a non-brokered private placement of 5,575,000 units at a price of \$0.11 per unit for gross proceeds of \$613,250.00. Each unit consists 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.

All securities issued in connection with the private placement are subject to a four month plus one day statutory hold period.

A 5% finder’s fee comprising 158,750 common shares of Young-Shannon was paid to Trilogy Capital Limited and a 5% finder’s fee comprising of 87,500 common shares of Young-Shannon was paid to VC Group Investments, S.A. A 5% cash commission was paid to Brant Securities Limited in the amount of \$1,375 and to Haywood Securities Inc. in the amount of \$2,200.

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 anticipates that it will close a second tranche of this private placement in the approximate amount of \$55,000 to be closed within the next seven business days.

Further details may be obtained from our website: www.youngshannon.com

For more information, please contact: Greg Lipton, President,
Telephone (416) 861-8351,
Fax (416) 867-2298.
greg.lipton@youngshannon.com

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