

Jerritt Canyon Mine Site Visit - September 2010



Jerritt Canyon 30 Year History of Mining

The Jerritt Canyon Mining District

On September 17 2010, Yukon-Nevada Gold Corp. (TSX: YNG) hosted a site visit at its 100% owned Jerritt Canyon Gold mine.

The Jerritt Canyon mine has a 30-year history with a total of 7.7 million oz of gold produced since 1981 from a total of 20 mines from both open pit and underground.

All of these historic mines are located at the northern part of the district, in which 13 open pits averaged 0.176 opt Au and seven underground mines averaged 0.209 opt Au.

YNG purchased Jerritt Canyon from Queenstake Resources Ltd. on June 20, 2007 and currently there are:

- one producing underground mine – *the Smith Mine* (Underground – producing 800 – 900 tpd and targeting 1,000 tpd by 2011);
- one underground mine to be reactivated by Q1 2011 – *the SSX-Steer Complex*, targeting 1,400 tpd;
- one new mine in the permitting stage – *the Starvation Canyon* – targeting 500 tpd.

✓ YNG purchased Jerritt from Queenstake Resources Ltd. on June 20, 2007

✓ Jerritt ores have produced 7.7 million oz gold since 1981

Current Status:

- ✓ *Smith Underground Mine in production*
- ✓ *SSX-Steer Complex mine to be reactivated by Q1 2011*
- ✓ *Starvation Canyon mine in the permitting process*
- ✓ *Operating a 1.75 million ton per year capacity processing plant*
- ✓ *119 sq mile land package with several advanced stage and early stage gold exploration targets (Carlin-type)*
- ✓ *Plan to attain 2,900 tpd of underground ore production from the Jerritt mines, and to add additional ore sources to help increase mill feed throughput*

Revolutionary Calomel System to Become Industry Standard

COO Graham Dickson's proprietary technology achieved 90% under allowable mercury and SO₂ emission limits



Calomel System at work

Jerritt Canyon Facts

- ✓ 20 Mines over 30 year mine life with 7.7 M oz Au Production
- ✓ All production has come from the northern part of the district
- ✓ First underground mine in 1993
- ✓ Open-pit mining stopped in 1999 (DASH pit)
- ✓ 7 historical underground (UG) mines
- ✓ 13 historical open pit mines
- ✓ 1 proposed UG mine in permitting stage

Jerritt Canyon Year End 2007 Reserves & Resources*:

Reserves/ Resources	Tons (000s)	Au g/t	Contained Au Oz
Proven	653.4	0.229	149.9
Probable	2,501.8	0.227	567.4
Total PP (Incl. Stockpiles)	3,155.2	0.227	717.3
Measured	2,626.0	0.269	706.1
Indicated	5,570.9	0.225	1,255.0
Total M & I (Incl. Stockpiles)	8,196.9	0.239	1,961.1

*NI-43-101 compliant Reserves/Resources do not account for depletion from 2008 to current mining and stockpile processing

Jerritt Canyon is located approximately 50 miles from Elko, Nevada, the heart of one of the largest gold-producing districts in the world, Carlin-type mineralization, with total production and reserves of over 100 million ounces of Au.

The 119 square mile land package with several advanced staged and early stage Carlin-type exploration targets, YNG's wholly owned subsidiary and operator, Queenstake Resources USA Inc (Queenstake), has restarted gold production at the milling facility in October 2009, targeting 150,000 oz/Au yearly, with steady production announced in August 2010.

Queenstake currently operates a 1.75 million ton per year capacity processing plant that currently has a 4,320 tpd throughput permit and a potential to upgrade to 6,000 tpd with the new calomel system that Graham Dickson, YNG's COO, has designed and is patent pending.

This new installed calomel system is revolutionary and it is designed to contain, control and capture the mercury emissions that are currently released into the atmosphere.

The Company is working very close with Nevada Department of Environmental Protection (NDEP) and tests have been running once a month on both stacks.

Recent stack tests achieved 90% under the allowable mercury and SO₂ emission limits.

This proprietary technology, mentioned by regulators and Jerritt employees as the "Queenstake Model", could become the new standard for the mining industry worldwide.

The Jerritt Canyon mill underwent significant refurbishment since it suspended production in 2008/2009 due to operational losses, environmental and other issues. At that point, the Company was severely undercapitalized and no sustaining capital was spent on the facilities for many years, with environmental obligations not being met by some predecessors.

In October 2009, with new management, technical and operational teams in place led by appointed President and CEO Robert Baldock, the Company achieved environmental compliance by the issuance of a Consent Decree by NDEP allowing the restart of production facility.

Jerritt is currently operating at 3,200 tpd (approximately 700 tpd from the Smith Mine and the remaining from stockpile ore). In 2011, the goal is to target 4,000 tpd through a combination of underground ore production from its mines (Smith and SSX-Steer Complex) and stockpiled ore. Additional ore sources will help increase mill feed throughput in the future.



Exploration Potential

Approximately 7.7 million oz gold has been produced from Jerritt over its 30-year mine life, from over 50 individual targets. The near-mine resource to reserve conversion is commonly successful (105% to 120% conversion rate) as mining progresses.

The chances for discovery of new stand-alone underground mines are considered highly prospective based on:

- the large size of the Jerritt property (~25,000 acres)
- the fact that the southern half of the district has had little exploration and development
- 65% of the total surface drill holes are less than 600 feet in total depth and therefore did not satisfactorily test all of the favorable lower plate host rocks
- the presence of favorable host rocks and structures throughout the property
- its location in one of the world's richest gold regions
- a new team of experienced geologists exploring property



What about the Yukon?

100% owned Ketz River property

- This gold property contains seven separate areas of identified resources and several additional outlying exploration targets
- Additional drilling in the future will help expand the existing resource and support geotechnical and metallurgical work
- Exceptional drill results reported this year: 3.05 m of 84.5 g/t and 9.14 m of 32.98 g/t

100% owned Silver Valley property with lead-silver (gold) potential

- 9,556 m of diamond drilling conducted by YNG in 2006 and 2007
- Mapping, trenching, rock-chip sampling, and geophysical surveys have generated numerous targets to be drilled in the near future
- Future plans to complete the road access and perform gravity survey work

Yukon-Shaanxi Mining Company Inc.

- Joint venture with NWM, an established Chinese mining company
- Exploring the Yukon Territory, Canada for non-ferrous metals

Jerritt Canyon Gold Production* Table by Deposit

<u>Open Pit Mine Production (13)</u>	<u>Tons (short)</u>	<u>Ounces</u>	<u>Grade (oz/st)</u>
<i>Marlboro Cyn</i>	5,798,600	1,400,045	0.241
<i>Alchem</i>	1,657,600	162,621	0.098
<i>L. North Gen. Hill</i>	1,226,000	235,461	0.192
<i>U. North Gen. Hill</i>	7,363,300	1,298,308	0.170
<i>West Generator</i>	3,979,000	616,647	0.155
<i>Burns Basin</i>	2,441,800	412,328	0.169
<i>Mill Creek</i>	895,700	108,270	0.121
<i>Pattani Spgs</i>	387,000	41,896	0.108
<i>California Mountain</i>	410,300	66,341	0.162
<i>Dash</i>	1,906,100	420,789	0.221
<i>Winter's Creek</i>	1,243,700	156,317	0.126
<i>Steer Canyon</i>	477,300	63,004	0.132
<i>Saval Canyon</i>	1,741,900	218,682	0.126
Sub-Total Open Pit	29,528,300	5,200,709	0.176
<u>Underground Mine Production (7)</u>	<u>Tons (short)</u>	<u>Ounces</u>	<u>Grade (oz/st)</u>
<i>SSX</i>	4,425,500	1,280,946	0.289
<i>Murray</i>	3,780,800	1,248,777	0.330
<i>MCE</i>	258,295	95,359	0.369
<i>Smith</i>	1,172,800	340,973	0.291
<i>West Generator UG</i>	460,100	108,108	0.235
<i>Steer UG</i>	68,174	15,879	0.233
<i>Saval UG</i>	3,500	1,730	0.495
Sub-Total Underground	10,169,100	3,091,772	0.304
Grand Total	39,697,400	8,292,481	0.209

*Does not include recovery losses from the plant, or Jerritt-sourced sub-grade ore stockpiles

Data up to year-end 2008 mining; chart last revised on Aug. 20, 2008 and provided by YNG



About Yukon-Nevada Gold Corp.

Yukon-Nevada Gold Corp. is a North American gold producer in the business of discovering, developing and operating gold deposits. The Company's focus has been on the acquisition and development of late stage development and operating properties with gold as the primary target. Continued growth will occur by increasing or initiating production from the Company's existing properties. The Company holds a diverse portfolio of gold, silver, zinc and copper properties in the Yukon Territory and British Columbia in Canada and in Nevada in the United States.

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Todd Johnson (M. Sc.), VP Exploration with Yukon-Nevada Gold Corp. and a qualified person as defined by NI 43-101, has reviewed and verified the technical information contained in this article as applicable.

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SHARE STRUCTURE

<i>Symbol:</i>	<i>TSX: YNG</i>
	<i>Frankfurt: NG6</i>
<i>Share Price (as of 10/14/10)</i>	<i>\$0.74</i>
<i>52-week High/Low:</i>	<i>\$0.77/\$0.18</i>
<i>Shares Outstanding:</i>	<i>674.1 million</i>
<i>Fully Diluted:</i>	<i>977.8 million</i>
<i>Warrants:</i>	<i>249.7 million</i>
<i>Options:</i>	<i>54.1 million</i>

<i>Market Capitalization:</i>	<i>\$458.3 million</i>
<i>Insider Ownership:</i>	<i>25%</i>
<i>Institutional Ownership:</i>	<i>30%</i>
<i>Daily Average Trading:</i>	<i>1.66 Million</i>

<i>Warrants:</i>	<i>TSX: YNG.WT</i>
<i>Market Capitalization:</i>	<i>2.3 million</i>
<i>52-week High/Low:</i>	<i>\$0.25/\$0.005</i>

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