

Attention Business Editors:

Yukon-Nevada Gold Corp. suspends operation of its roasters at Jerritt Canyon to complete its mercury recovery system

VANCOUVER, June 1 /CNW/ - Yukon-Nevada Gold Corp. (Toronto Stock Exchange: YNG; Frankfurt Xetra Exchange: NG6) announces that a delay in the fabrication of certain fiberglass ductwork has resulted in the Company being unable to meet a deadline to complete the installation of new mercury - emission - control equipment at the Jerritt Canyon Mine. Therefore, in compliance with NDEP Order 2009-4, Queenstake Resources Inc. USA (Queenstake), a wholly owned subsidiary of Yukon-Nevada Gold Corp. (YNG), has discontinued operation of its roaster circuits at the Jerritt Canyon Mine.

The ductwork will be used in the installation of a calomel-based mercury control system required by the NDEP to ensure the company complies with state-mandated mercury emission limits, and to minimize the proportion of oxidized (reactive) mercury released to the air.

Queenstake notified the NDEP that both roaster circuits at the Jerritt Canyon Mine ceased operation at 11 p.m. May 30.

Queenstake has successfully complied with other requirements of operation per NDEP Order 2009-4. While the roasters are off-line to complete the required work, the processing of ore already roasted and the recovery of gold will continue.

The Company expects to take delivery of the fiberglass duct work and have the new mercury emission control equipment installed before the end of June.

HISTORY:

Following a year-long investigation into mercury emissions, in March 2008 the NDEP ordered Queenstake Resources to install new state-of-the-art emission control equipment at the Jerritt Canyon Mine by the end of that year. Before the NDEP's order was satisfied, Queenstake Resources, by its own action, stopped mining and processing ore at Jerritt Canyon Mine in August 2008. The facility remained shut down while the new emission control systems were designed. Staff from Queenstake Resources and the NDEP worked together to resolve several air emission issues related to the roasting operation.

NDEP issued an Order March 25, allowing Queenstake to restart ore processing operations after the mine's initial environmental compliance was satisfied. The requirement to shut down the roaster does not affect the operation of the milling and gold recovery portion of the plant. This ensures that the Company cash flow and other operations can continue.

Yukon-Nevada Gold Corp. is a North American gold producer in the business of discovering, developing and operating gold deposits. The Company holds a diverse portfolio of gold, silver, zinc and copper properties in the Yukon Territory and British Columbia in Canada and in Arizona and Nevada in the United States. 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.

If you would like to receive press releases via email please contact nicole(at)yngc.ca and specify "Yukon-Nevada Gold Corp. releases" in the subject line.

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The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

WARNING: The Company relies upon litigation protection for "forward-looking" statements.

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