



Yukon-Nevada Gold Corp.

Yukon-Nevada Gold Corp. Begins Commissioning Refurbished Milling Facility at Jerritt Canyon, Nevada

Vancouver, BC – January 27, 2012 – Yukon-Nevada Gold Corp. (TSX: YNG) (Frankfurt Xetra Exchange: NG6) is pleased to announce that it has completed construction work on a new ore dryer and fine-crushing conveying system as well as maintenance upgrades to the roasting facility at its wholly-owned Jerritt Canyon gold operation in Nevada, USA. Commissioning of the milling facility is currently underway, which includes trial operation of new and refurbished equipment, as well as testing, calibration and optimization of new monitoring systems. Jerritt Canyon is operated by Queenstake Resources USA Ltd., (“Queenstake”) a wholly-owned subsidiary of Yukon-Nevada Gold Corp. (“YNG” or the “Company”).

The shutdown was initiated on January 6, 2012 in order to complete a winterization and refurbishment program which included constructing a new drying facility and reconfiguring the conveying system in fine crushing. During the shutdown, the old dryer was replaced with a new ore dryer closer to the front end of the circuit. In addition, a new Distributed Control System (“DCS”) was installed for the entire plant. Commissioning of the new ore dryer, fine-crushing conveying, and the DCS commenced on January 23, 2012.

During the shutdown significant maintenance was completed on the rest of the roasting facility. A new quench tank was installed for the East Roaster which is one of the final requirements for compliance with the Consent Decree. Other maintenance items completed include:

- realignment of the crushing conveyors;
- rebuild of the thickener rakes;
- rebuild of the OSEPA particle-sizing system;
- replacement of the pinion on the ball mill;
- replacement of the feed-end of the ball mill;
- replacement of portions of the dust-control ventilation system;
- replacement of airslides feeding the roasters;
- clean-out of the roasters and some refractory repair;
- replacement and repair of the fine ore bin conveyor and belt;
- rebuild of the CIL carbon screens;
- replacement of the retort and furnace in the refinery; and
- replacement of some key components in the oxygen plant.

Randy Reichert, Chief Operating Officer commented, “We are currently in the commissioning stage of the milling facility refurbishment. The construction and maintenance work plan went well with only slight delays arising from high winds during the latter part of the shutdown. We were able to take advantage of the shutdown to complete substantial maintenance in all areas of the mill that had previously been giving us problems and causing significant downtime. When we are finished commissioning we are confident that we will have a plant that can run at capacity and can meet our production targets.”

Please visit our website to view photos of the upgrades at Jerritt Canyon: <http://www.yukon-nevadagold.com/s/JerrittCanyon.asp?ReportID=484780>

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 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.

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