Yukon-Nevada Gold Corp. Settles Class Action Suit

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VANCOUVER, May 26, 2011 /CNW/ - Yukon-Nevada Gold Corp. (TSX: YNG) (Frankfurt Xetra Exchange: NG6) (the 'Company') has reached an agreement to settle a class action suit brought by former employees against the Company and Queenstake Resources USA, a wholly owned subsidiary of the Company.

Among other things, the $3.6M settlement agreement sets aside funds for the remaining 50% of the severance payments under the WARN Act (regular wages were paid at the time of severance), medical costs and certain 401-K contributions for approximately 394 employees laid off from Jerritt Canyon in 2008. The funds, previously placed on deposit by the Company, are to be distributed by a third party claims administrator pursuant to the settlement procedures and the Court processes.

The settlement is subject to approval by the Court. It is anticipated that the distribution process pursuant to the Settlement Agreement will take several months to complete.

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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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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