



#701 – 475 Howe Street
Vancouver, British Columbia
Canada V6C 2B3
Telephone: (604) 682-5474
Fax: (604) 682-5404
Toll-free: 1-877-682-5474

Trading Symbol: **YZC**.TSX-V
12G: 82-4603 | YZC-NR-2008-08

International Toll-free: 800-8682-5474
info@yukonzinc.com www.yukonzinc.com

News Release

Yukon Zinc Enters Into Acquisition Agreement with Jinduicheng/Northwest

Vancouver, BC, May 7, 2008 – Yukon Zinc Corporation (YZC.TSX-V) (“Yukon Zinc” or the “Company”) announces that its Board has approved an acquisition agreement (the “Acquisition Agreement”) pursuant to which Jinduicheng Molybdenum Group, Ltd., and Northwest Nonferrous International Investment Company, Limited (collectively, the “Investors”) will acquire, for cash consideration, 100% of the outstanding shares, options and warrants of the Company by way of Plan of Arrangement (the “Transaction”). Yukon Zinc and the Investors have entered into the Acquisition Agreement effective as of May 6, 2008. Previously, the Board was considering a share exchange proposal from Griffin Mining Limited.

The Yukon Zinc Board has determined that the Transaction is fair to the shareholders and warrant holders and is in the best interests of Yukon Zinc. The Board is recommending that Yukon Zinc shareholders vote in favor of the Transaction. Paradigm Capital Inc. has delivered an opinion to the Yukon Zinc Board stating that, in its opinion, the Transaction is fair, from a financial point of view, to Yukon Zinc shareholders. An extraordinary general meeting of shareholders is scheduled for June 25, 2008 to consider the Transaction.

The Transaction provides for the acquisition of all outstanding Yukon Zinc shares at a price of \$0.22 per share (the “Purchase Price”), payable in cash. Each Yukon Zinc option and warrant that is “in-the money” will be purchased for its cash value. All options and warrants that have an exercise price greater than the Purchase Price (that is, “out-of-the-money”) will be purchased for a cash consideration determined in accordance with a purchase schedule for each series of options and warrants. There are no lockup or due diligence conditions. The Investors have represented that they are confident that all necessary People’s Republic of China approvals will be obtained without delay and that the Investors have the requisite funding in place to finance the transaction. The Transaction is conditional on approval of 66 2/3% of the votes cast by shareholders at a meeting of Yukon Zinc shareholders, receipt of court and regulatory approvals, waiver of the Yukon Zinc shareholder rights plan, and other customary provisions, such as no material adverse change.

As a result of the signing of the Acquisition Agreement, the Company is obligated to pay Griffin Mining a \$2.5 million break fee and related expenses, not to exceed \$250,000. Pursuant to a loan agreement dated May 6, 2008, the Investors have agreed to provide a \$2.5 million secured loan to the Company to finance working capital.

Advisers and Counsel

Yukon Zinc’s legal counsel and financial advisors are Lang Michener LLP and Paradigm Capital Inc., respectively. The Investors legal and financial advisors are Davies Ward Phillips & Vineberg LLP and BMO Capital Markets, respectively.

About Yukon Zinc

Yukon Zinc is a TSX Venture Exchange listed company based in Vancouver. It is focused on development of its silver-rich Wolverine Project in southeast Yukon, Canada and its large exploration land holdings in the Finlayson and Rancheria Districts. A bankable feasibility study was completed for the Wolverine Project by Wardrop Engineering in January 2007 indicating favourable project economics. The Project has all of its main development permits and enjoys strong support from the Yukon Government and its local First Nations communities.

About Jinduicheng and Northwest

Jinduicheng is the largest producer of molybdenum and associated products in Asia and reportedly the third largest in the world. It is publicly-traded on the Shanghai Stock Exchange after a recent US\$1.3 billion IPO. Jinduicheng's operations are concentrated in Shaanxi province, China. Northwest represents the Shaanxi state geological bureau, and in terms of revenue and technical capacity is one of the top five exploration and mining Bureaus in China. Northwest has more than 6,000 employees including 800 geologists, technologists and engineers. Northwest was the first bureau in China to conduct exploration projects in partnership with companies from Western countries.

Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of applicable Canadian securities laws concerning the business, operations and financial performance and condition of Yukon Zinc. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, hedging practices, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, timing and possible outcome of pending litigation, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Yukon Zinc to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the integration of acquisitions; risks related to international operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although Yukon Zinc has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Yukon Zinc does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws

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For more information contact:

Dr. Harlan Meade, President and CEO

Shae Dalphond Manager, Investor Communications

Telephone: (604) 682-5474 Toll-free: 1-877-682-5474

Facsimile: (604) 682-5404

info@yukonzinc.com www.yukonzinc.com

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