



YELLOWHEAD
MINING INC.

TSX-V:YMI
NEWS RELEASE

November 8, 2011

Yellowhead Mining Inc. purchases abandoned Weyerhaeuser mill property in Vavenby with rail siding for concentrate load-out

VANCOUVER, British Columbia - Yellowhead Mining Inc. ("Yellowhead" or the "Company", TSX-V: YMI) closed an agreement acquiring the former Weyerhaeuser Company Limited sawmill property in Vavenby, BC, about 2.5 km west of Vavenby. The acquisition includes the remaining buildings, offices and statutory rights of way. The purchase price was CAD\$2,150,000. Closing was effective November 7, 2011.

The property comprises approximately 79.3 hectares and has an approximately 1,880 metre rail siding, connecting to the Canadian National Railway's transcontinental main line that passes through Vavenby. The rail load-out will be located approximately 25 km by road from the Harper Creek project mill site. The rail distance to Vancouver is approximately 450 km. The property layout is shown in http://www.yellowheadmining.com/i/Photos/YMI_Vavenby_Property.jpg or on www.yellowheadmining.com.

Ian Smith, CEO of Yellowhead, stated: "This acquisition is a very important building block for the project development, and ensures we will have room for concentrate storage, rail access and staging grounds for the construction phase. We are continuing to de-risk the project with this acquisition and by advancing the feasibility study expected to be complete in the first quarter on 2011."

About Yellowhead Mining Inc. and the Harper Creek Project

The Harper Creek Project is a copper-gold-silver volcanogenic sulphide deposit with a Measured and Indicated Resource of 563.2 million tonnes grading 0.31% Cu (3.6 billion pounds of copper) plus 0.032 g/t gold and 1.08 g/t silver, plus an Inferred Resource of 117 million tonnes grading 0.29% Cu (0.7 billion pounds of copper). The Harper Creek Project is located in south-central British Columbia, approximately 150 kilometers by highway north of Kamloops.

Yellowhead has a 100% interest in the Harper Creek development project⁽¹⁾. A Preliminary Economic Assessment Report ("PEA"), which demonstrated the technical and economic viability of the Project, was completed at the end of March and filed on SEDAR on April 1, 2011 and can be viewed on www.sedar.com. The PEA demonstrated a 22 year project life at a milling rate of 70,000 tonnes per day, a planned production of 149 million lbs. copper in concentrate per annum for years one to eight, (132Mlb/y LOM), a life-of-mine stripping ratio 0.88:1, a pre-tax IRR of 19.8% with a base case copper price of US\$2.66/lb., an NPV8 of US\$598 million and a capital cost of C\$759 million in Q4 2010 dollars, including contingency with a 4 year payback⁽²⁾.

¹ (Subject to the payment of a 3% NSR royalty capped at \$2.5 million, adjusted for inflation and an additional 2.5% NSR royalty on an estimated 3.3 million tonnes of ore which is expected to be mined beginning in year nine within the NI 43-101 resource.)

² Mineral resources are not mineral reserves and do not have demonstrated economic viability.



YELLOWHEAD
MINING INC.

TSX-V:YMI
NEWS RELEASE

For more information, please contact:

- **Ronald Handford, Executive Vice President, Corporate Development:**
rhandford@yellowheadmining.com
Tel. 604.681.1709 ext. 204

Website: www.yellowheadmining.com
Twitter: http://twitter.com/YMI_Mining

- **Renmark Financial Communications Inc.**
Barry Mire: bmire@renmarkfinancial.com
Maurice Dagenais: mdagenais@renmarkfinancial.com
Tel.: (514) 939-3989 or (416) 644-2020
www.renmarkfinancial.com

FORWARD-LOOKING STATEMENTS AND CAUTIONARY DISCLAIMER

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities laws. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements, including, among others, the accuracy of mineral grades and related assumptions, inherent operating risks, planned expenditures, proposed exploration and development at the Harper Creek Project, operating and economic aspects of the Harper Creek Project, as well as those risk factors identified in the Company's Annual Information Form filed under the Company's SEDAR profile. Yellowhead undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. More detailed information about potential factors that could affect financial results is included in the documents filed from time to time with the Canadian securities regulatory authorities by Yellowhead.

This news release includes disclosure of scientific and technical information, as well as information in relation to the calculation of resources, with respect to the Harper Creek Project. Yellowhead's disclosure of mineral resource information is governed by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as may be amended from time to time by the CIM ("CIM Standards"). There can be no assurance that mineral resources will ultimately be converted into mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. This news release uses the terms "measured", "indicated" and "inferred" resources. U.S. persons are advised that while such terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. "Inferred Resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resources will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred resources may not form the basis of feasibility or other economic studies. U.S. persons are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. U.S. persons are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.

Neither the TSX Venture Exchange Inc. nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.