



TSX.V: KHT

**YANKEE HAT CLOSSES FIRST TRANCHE OF FINANCING
AND OTHER TRANSACTIONS FOR \$902,325**

VANCOUVER, BRITISH COLUMBIA – August 25, 2010 (TSX.V: KHT) Yankee Hat Minerals Ltd. (“Yankee Hat” or the “Company”), is pleased to announce that it has closed the first tranche of its previously announced private placement, received subscriptions for the second tranche of the private placement and entered into a shares for debt transaction for a total of \$902,325 in capital market transactions.

“In total, Yankee Hat has raised the equivalent of \$902,325 through these capital market transactions”, stated Brad Kitchen, Chief Executive Officer. “These transactions have allowed Yankee Hat to clear its balance sheet of all liabilities and provide capital to begin the proposed drilling program on the Fran Property at Mount Milligan in British Columbia”

Yankee Hat has issued 6,300,000 shares at a price of \$0.05 per non flow-through units (the “Offering”). In connection with the Offering, the Company has paid the following finder’s fees: Raymond James Ltd. 432,000 warrants at an exercise price of \$0.10 for a period of one year and a cash commission of \$21,600.00, PI Financial Corp. 135,000 warrants at an exercise price of \$0.10 for a period of one year and a cash commission of \$6,750.00.

The Pro-Group participants for the Offering were: William Godson and Usha Randhawa.

The proceeds from the Offering will be used for a Summer/Fall drill program on the Company’s Fran Property.

The Company is also pleased to announce that it has received subscriptions for 3,554,780 non flow-through units and will be looking to close a second tranche of the financing within the next two weeks.

Further, Yankee Hat has proposed a debt settlement agreement with a Non-Arm’s Length party whereby the Company will settle \$409,586 in exchange for shares in the treasury of the Company. This debt was incurred through the assumption of a three year exploration program conducted in the Yukon Territory. The shares for debt transaction is a Non Arm’s Length Transaction, as the Company and the creditor share a common director and officer. The Company wishes to issues shares for this debt in order to preserve funds for the proposed exploration work on the Fran Property in British Columbia.

It is Yankee Hat’s intention that the entire amount of \$902,325 will be netted from the proposed \$1.5 million non flow-through Unit offering that was previously announced.

All transactions remain subject to regulatory and corporate approval.

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About Yankee Hat Minerals Ltd.

Yankee Hat Minerals Ltd. is a publicly held resource company that utilizes its management's expertise in mineral exploration and evaluation, and financial acumen, to identify, acquire, and develop mineral prospects in mining friendly jurisdictions with the potential to host large-scale discoveries. The Company strategically focuses on commodities that have strong underlying price fundamentals such as gold and precious metals, rare earth elements and tungsten. The Company's website at www.yankeehatminerals.com and public filings at www.sedar.com provide additional information on its projects and other information with respect to its management and operations.

Neither TSX Venture Exchange 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.

ON BEHALF OF THE BOARD

"Brad Kitchen"

P. Bradley Kitchen, Chief Executive Officer

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