



TAGISH LAKE ANNOUNCES MAILING OF DIRECTORS' CIRCULAR

Vancouver, BC – August 4, 2010 - Tagish Lake Gold Corp. (TSX-V: TLG) (the “Company” or “Tagish”) announces today that further to its news release dated July 23, 2010, it has filed with Canadian securities regulatory authorities and has commenced mailing of the directors’ circular (the “**Directors’ Circular**”) to shareholders of the Company in connection with the previously announced unsolicited take-over bid (the “**New Pacific Offer**”) by New Pacific Metals Corp. (the “**Offeror**”) to acquire all of the shares (“**Shares**”) and all proven secured and unsecured debt (“**Debt**”) of the Company.

The board of directors of the Company (the "Board"), with the benefit of advice from the special committee of independent directors established by the Board (the "Special Committee"), its legal advisors and Evans & Evans, Inc., the financial advisor to the Special Committee, and after having carefully reviewed and considered the New Pacific Offer and the Company's other available alternatives, unanimously decided NOT TO MAKE A RECOMMENDATION with respect to the acceptance or non-acceptance of the New Pacific Offer at this time and that the shareholders and debtholders of the Company SHOULD NOT TENDER to the New Pacific Offer until further communication is received from the Board.

In the course of their deliberations, the Special Committee and the Board noted that the take-over bid circular dated July 21, 2010 in respect of the New Pacific Offer did not make any disclosure concerning the transaction announced on July 27 whereby New Pacific had agreed to sell its Huaiji Gold Project which New Pacific has identified as its only material property within the meaning of National Instrument 43-101. Concern was also expressed as to the lack of detail regarding the source of funds to be used for the payment for the shares and debt of Tagish, in particular the terms of the line of credit referred to in New Pacific's press release of July 5th, 2010.

In making its recommendation, the Board considered numerous factors, including the recommendation of the Company's independent directors and the valuation of the Company (the “**Valuation**”) and fairness opinion with respect to the New Pacific Offer (the “**Fairness Opinion**”) prepared by Evans. The full texts of the Valuation and the Fairness Opinion are attached as Exhibits “A” and “B” to the Directors’ Circular. Shareholders of the Company are urged to read the Directors’ Circular in its entirety. A copy of the Directors’ Circular is available on the System for Electronic Document Analysis and Retrieval (SEDAR) website at: www.sedar.com under the Company's profile.

The following is a summary of the principal reasons for the decision by the Board to make no recommendation in respect of the New Pacific Offer at this time, which are described in greater detail in the Directors’ Circular.

Reasons why the Board has not Recommended Rejection of the Offer

- The Company has commenced proceedings under the *Companies’ Creditors Arrangement Act* and needs funds to pay its creditors.
- The New Pacific Offer is the only offer for the Shares and Debt outstanding at this time.

- The Fairness Opinion concludes that the consideration to be paid for the Shares under the New Pacific Offer is fair, from a financial point of view, to the shareholders of the Company.
- Although on July 23, 2010 YS Mining Company Inc. ("**YS Mining**") made a proposal for the recapitalization of the Company, it withdrew this proposal on July 29, 2010.
- There can be no assurance of future liquidity opportunities for the Shares or Debt if the New Pacific Offer is not successful.

Reasons the Board has not Recommended Acceptance of the Offer

- YS Mining has informed the Company that it intends to apply to the British Columbia Securities Commission for a cease trade order with respect to the New Pacific Offer, on the grounds, among others, that the Offeror's circular relating to the New Pacific Offer contains material omissions and misrepresentations.
- The Board believes that there is a substantial likelihood that, prior to the expiry of the New Pacific Offer, YS Mining will either make an offer to acquire the Shares and Debt not already owned by it or a proposal for the recapitalization of the Company.
- Since July 7, 2010, the Shares have been trading on the TSX Venture Exchange at or above \$0.06 per Share, the cash offer price per Share stipulated in the New Pacific Offer, and the closing price of the Shares on July 30, 2010 was \$0.07.

About Tagish Lake Gold Corp.

Tagish Lake Gold Corp. explores for and develops high grade gold-silver mineral deposits in the Yukon Territory of Canada. The Company is currently focused on its wholly owned, 178 km² Skukum Mineral District located 80 km by road south of Whitehorse. The Skukum Mineral District hosts the Skukum Creek gold-silver deposit, the Goddell Gully and the Mt. Skukum gold deposits.

For further information, please contact:

Tagish Gold Lake Corp.
John Resing, chair of Special Committee
408 – 688 West Hastings Street
Vancouver, BC V6B 1P1
T: (425) 454-7992

This news release contains forward-looking statements (within the meaning of applicable securities laws) relating to the Company. Forward-looking statements are identified by words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" and other similar expressions. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Forward-looking information in this news release includes, without limitation, statements made in respect of the intention of YS Mining to make an application with the British Columbia Securities Commission for a cease trade order in respect to the New Pacific Offer and the possibility that YS Mining may make: an offer to acquire the shares of the Company not already made by it; or a proposal for the recapitalization of the Company.

All forward-looking statements in this news release are qualified by these cautionary statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, should not be unduly relied upon and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ materially from the results discussed in the forward-looking statements, include, but are not limited to YS Mining deciding not to seek a cease trade order with respect to the New Pacific Offer and YS Mining deciding not to make: an offer to acquire the shares of the Company not already made by it; or a proposal for the recapitalization of the Company.

Forward-looking information is based on various material factors or assumptions, which are based on information currently available to the Company.

Although the forward-looking statements contained in this news release are based upon what management believes are reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements.

The forward-looking statements contained in this news release are made as of the date of this news release and should not be relied upon as representing the Company's views as of any date subsequent to the date of this news release. The Company assumes no obligation to update or revise these forward-looking statements to reflect new information, events, circumstances or otherwise, except as required by applicable law.

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.