



(TSX.V:TLG)

TAGISH UPDATE

May 19, 2009

Tagish Lake Gold Corp., Richmond, BC (TSX-V: TLG) wishes to update investors on the progress of the previously announced amalgamation with 804722 BC Ltd., a private company and parent company of Yukon-Shaanxi Mining Company Inc. (“Yukon-Shaanxi”).

Tagish Lake Gold Corp. (“Tagish”) and Yukon-Shaanxi representatives are continuing to work on the Joint Proxy Information Circular, a necessary document in the amalgamation process. The Information Circular, as well as certain other preliminary documents, will be submitted to the TSX Venture Exchange for conditional approval. This will be followed by submission of the Information Circular to the shareholders for approval of the transaction at a Special Meeting now tentatively scheduled for June 19, 2009, and then by Court approval under the Business Corporations Act of British Columbia.

The amalgamation is supported by the Board of Directors of both companies and will result in an entity with early stage and late stage exploration, and early stage development properties located in the Yukon Territory, Canada.

The agreement provides that Tagish will have to pay a break fee to Yukon-Shaanxi in the event of acceptance of a “Superior Proposal”, or of other events such as rejection of the offer by shareholders. The break fee would be an amount equal to 5% of the market capitalization of Tagish following public disclosure of the event.

Yukon-Shaanxi reports that they expect to have a team of 15 Chinese geologists in the Yukon in June 2009, eager to be immersed in the geology and exploration of the Skukum property.

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, visit the Company’s website at www.tagishgold.com, or contact:

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Certain statements contained in this news release using the terms “may”, “expects to”, “projects”, “estimates”, “plans”, and other terms denoting future possibilities, are forward-looking statements in respect to various issues including upcoming events based upon current

expectations which involve risks and uncertainties that could cause actual outcomes and results to differ materially. The future conduct of the Company's business and the feasibility of its mineral exploration properties are dependent upon a number of factors and there can be no assurance that the Company will be able to conduct its operations as contemplate and the accuracy of these statements cannot be guaranteed as they are subject to a variety of risks that are beyond our ability to predict or control and which may cause actual results to differ materially from the projections or estimates contained herein. The risks include, but are not limited to, the risks described in the above press release; those risks set out in the company's disclosure documents and its annual, quarterly and current reports; the fact that exploration activities seldom result in the discovery of a commercially viable mineral resource and are also significant amounts of capital to undertake and the other risks associated with start-up mineral exploration operations with insufficient liquidity, and no historical profitability. The Company disclaims any obligation to revise any forward looking statements as a result of information received after the fact or regarding future events.