

White Tiger Announces Proposed Private Placement and Loan Transactions

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TORONTO, ONTARIO -- ([Marketwire](#) - July 4, 2012) - [White Tiger Gold Ltd.](#) (the "Company") (TSX:WTG) announces that it intends to conduct a Private Placement (as defined below) and that it proposes to modify the loan transactions described in the Company's May 11, 2012 and May 25, 2012 press releases (the "Initial Transactions") in the manner described below. The Private Placement is intended to provide a minimum of USD\$8 million in funding the Company urgently requires to continue with the Phase 2 expansion of the Savkino mine and the development of a new mine at the Nasedkino project and the Loan Transactions (as defined below) are intended to resolve the default of the Company's indebtedness to Kirkland Intertrade Corp. ("Kirkland") and Unique Goals International Ltd ("Unique").

Private Placement

The Company is proposing to complete a non-brokered offering of common shares (each, a "Common Share"), at a price of CDN\$0.10 per share, for gross proceeds of up to CDN\$10,000,000 (the "Private Placement"). Participation in the Private Placement is expected to be offered to "accredited investors" in each of the provinces of Canada and in the United States, and qualified persons resident in certain other jurisdictions.

Each of Kirkland and Unique has agreed to provide standby commitments in respect of the Private Placement by subscribing for that portion of the Private Placement not taken up by outside investors, up to a maximum of USD\$5.5 million from Kirkland and USD\$2.5 million from Unique. The previously announced USD\$2.5 million interim loan (the "Kirkland Interim Loan") advanced to the Company by Kirkland on June 13, 2012, will be used to offset the subscription price payable to the Company by Kirkland in respect of its subscription.

The proceeds from the Private Placement will be used to support capital development at the Company's Savkino and Nasedkino projects in Russia and for general corporate purposes.

Subject to Toronto Stock Exchange ("TSX") approval, the Company intends to close the Private Placement (including the above described subscriptions of Kirkland and Unique) no later than Friday July 13, 2012, as the Company requires funding by this date in order satisfy certain capital cost commitments related to the Savkino project. In the event that the Company cannot close the Private Placement by this date, the Company will have to seek interim funding arrangements pending completion of the Private Placement.

If the proceeds from the first Private Placement closing are less than CDN\$10 million, the Company will keep the offering open and close a second tranche of the Private Placement no later than July 31, 2012.

In connection with the Private Placement the Company may pay a cash finder's fee of up to 6% of the gross proceeds of the offering to registered dealers and such other persons permitted under applicable securities laws who act as finders for the Private Placement; however, no finder's fees will be paid in connection with any subscriptions for Common Shares received from Kirkland or Unique.

Loan Transactions

Extension of Unique Loans

Unique is a company beneficially owned, directly or indirectly, by Mr. Sergey Yanchukov, a creditor and a 13% shareholder of the Company.

The Company owes Unique the principal amount of USD\$18 million (approximately USD\$20 million including accrued interest) (the "Unique Loans"), which loans matured in May 2012 and bear interest at a rate of 15% per annum.

In consideration of the extension of these loans until January 31, 2015, the Company proposes to issue to Unique that number of common share purchase warrants as is equal to the outstanding amount of the Unique Loans (including accrued interest, calculated as at the date loan extension agreements are entered into between the Company and Unique) divided by CDN\$0.10. The warrants proposed to be issued in connection with the extension of the Unique Loans would be exercisable to acquire Common Shares at a price of CDN\$0.10 per share for a period of four years from the date of issuance. The extended Unique Loans will bear interest at a rate of 15% per annum and such interest will be payable in cash at maturity.

In accordance with Section 604(d) of the TSX Company Manual (the "Manual"), the Company will initially seek shareholder approval for the extension of the Unique Loans and the related warrant issuances by way of written consent of selected shareholders holding more than 50% of the issued and outstanding Common Shares, excluding the shares beneficially owned, directly or indirectly, by Mr. Yanchukov. If the Company is unable to obtain such consent, the Company will call a meeting of shareholders to seek the foregoing approval. For further information on the securities proposed to be issued in connection with the extension of the Unique Loans, please see "Finskiy and Yanchukov Securityholdings" below.

Conversion of Kirkland Loans

Kirkland is a company beneficially owned, directly or indirectly, by Mr. Maxim Finskiy, the Executive Chairman, a director, a creditor and the controlling shareholder of the Company.

The Company owes Kirkland/Mr. Finskiy the principal amount of USD\$5.0 million (approximately USD\$5.2 million including accrued interest, calculated as at the date hereof) (the "Kirkland Loans"), USD\$4.0 million of which matured in May 2012 and bears interest at a rate of 15% per annum and USD\$1.0 million of which matures on October 13, 2012 and bears interest at a rate of 10% per annum.

The Company proposes to settle the Kirkland Loans through the issuance of Common Shares at a price of CDN\$0.10 per share. In accordance with Section 604(d) of the TSX Company Manual (the "Manual"), the Company will initially seek shareholder approval for the conversion of the Kirkland Loans by way of written consent of selected shareholders holding more than 50% of the issued and outstanding Common Shares, excluding the shares beneficially owned, directly or indirectly, by Mr. Finskiy. If the Company is unable to obtain such consent, the Company will call a meeting of shareholders to seek the foregoing approval. For further information on the securities proposed to be issued in connection with the conversion of the Kirkland Loans, please see "Finskiy and Yanchukov Securityholdings" below.

Finskiy and Yanchukov Securityholdings

The table below details the current securityholdings of Mr. Finskiy and Mr. Yanchukov and the anticipated effect of the Private Placement, as well as the extension of the Unique Loans and the conversion of the Kirkland Loans (together, the "Loan Transactions"), on those securityholdings, based on the following assumptions:

- the outstanding amount of the Kirkland Loans is USD\$5.2 million;
- the outstanding amount of the Unique Loans is USD\$20.0 million; and
- the prevailing exchange rate at the time the Private Placement and/or Loan Transactions are completed is CDN\$1=USD\$1.

The actual number of securities issuable in connection with the Private Placement and/or the Loan Transactions will be determined when such transactions are completed, at which time(s) the Company will issue a press release disclosing the same.

Mr. Finskiy(1) Mr. Yanchukov(2)

Issued and outstanding Common Shares	
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Current Securityholdings	129,765,294 Common Shares	44,222,337 Common Shares
	3,546,203 Warrants	327,275,587
Common Shares		
Undiluted(3)	39.7 %	13.5 %
Partially Diluted(3)	-	14.4 %

Securityholdings assuming completion of the Loan Transactions only	181,765,294 Common Shares
	44,222,337 Common Shares
	203,546,203 Warrants
Common Shares	
Undiluted(3)	47.9 %
	11.7 %

Partially Diluted(3) - 42.5 %

Securityholdings assuming completion of the Private Placement only(4) 184,765,294 Common Shares
69,222,337 Common Shares
3,546,203 Warrants 407,275,587
Common Shares
Undiluted(3) 45.4 % 17 %
Partially Diluted(3) - 17.7 %

Securityholdings assuming completion of both the Loan Transactions and Private Placement(4) 236,765,294
Common Shares 69,222,337 Common Shares
203,546,203 Warrants 479,275,587
Common Shares
Undiluted(3) 51.6 % 15.1 %
Partially Diluted(3) - 41.1 %

Notes:

1. Mr. Finskiy is the Executive Chairman, a director, a creditor and the controlling shareholder of the Company.
2. Mr. Yanchukov is a creditor and a 13% shareholder of the Company.
3. The figures presented are approximations.
4. Assumes that Mr. Finskiy and Mr. Yanchukov purchase 55,000,000 and 25,000,000 Common Shares, respectively, under the Private Placement, and that no other persons subscribe under the Private Placement.

Financial Hardship Application

As the Private Placement may result in insiders of the Company acquiring a number of Common Shares that is greater than 10% of the Company's issued and outstanding Common Shares, the Company is required to obtain disinterested shareholder approval pursuant to the applicable policies of the TSX. However, the Company has applied to the TSX, pursuant to the provisions of Section 604(e) of the Manual, for a "financial hardship" exemption from the requirement to obtain shareholder approval, on the basis that the Company is in serious financial difficulty.

The Company's liquidity has been negatively impacted during the past several months as a result of operational issues at the Company's Lamaque mine in Val d'Or, Québec, which, as disclosed in the Company's May 25, 2012 press release, resulted in Deutsche Bank AG, London Branch, electing to terminate its Forward Gold Purchase Agreement with the Company's wholly-owned subsidiary, Century Mining Corporation ("Century") and enforcing its security on Century's property, including the Lamaque project in Val d'Or, Québec and the San Juan project in Arequipa Department, Peru (the "Century Default").

The Company's application to rely on the financial hardship exemption in the Manual was made upon the recommendation of a special committee (the "Special Committee") comprised of Mr. Eddie Sugar and Mr. Ram Ramachandran, both of whom are independent members of the board of directors of the Company, free from interest in the Private Placement and unrelated to the parties involved in the Private Placement, which was established for the purposes of negotiating and approving the Private Placement and the Loan Transactions. The board of directors of the Company, relying in part on the recommendation of the Special Committee, has concluded that the Private Placement is reasonable and in the best interests of the Company given the Company's current financial difficulties and the lack of alternate financing arrangements. The Private Placement is designed to improve the Company's financial situation and provide the Company sufficient liquidity in the intermediate term.

There can be no assurance the TSX will accept the application for the use of the financial hardship exemption from the requirement to obtain shareholder approval for the Private Placement. The TSX is currently conducting a de-listing review as a result of the Company's prior request to rely on Section 604(e) of the Manual.

Background and Financial Hardship Application

On February 2, 2012, the Company's directly and indirectly wholly-owned subsidiary, Diascia Investments Limited ("Diascia"), entered into an agreement with VTB Capital plc ("VTB") to obtain a senior secured term loan facility (the "VTB Facility") of up to USD\$150 million to fund the Company's production, development and exploration activities in Russia. The VTB Facility has a 60 month term and a floating interest rate of three month LIBOR plus a margin of 8 to 14% per annum, based on the Company's annual gold production. The USD\$150 million is releasable in three tranches. The first USD\$40 million tranche was released to Diascia

and used in its entirety. Access to the second USD\$40 million tranche requires Diascia to complete a National Instrument 43-101 compliant technical report on its Nasedkino project, which report is not expected to be finalized until the third quarter of 2012. The Company intends to use the proceeds from the Private Placement to provide operating capital to continue its expansion/development plans at its Russian projects pending the completion of the new technical report.

Security for the VTB Facility includes guarantees by the Company's Russian operating companies, as well as a pledge by Diascia of its participatory interests in such Russian operating companies and pledges by the Company and Diascia Holdings (BVI) Ltd. of their respective shareholdings in Diascia. In the event of a default under the VTB Facility, VTB could realize its security and the Company could lose its interest in Diascia or one or more of its Russian operating companies, and any project or licence area held by such entity(ies).

Due to the harsh winter weather, Savkino's operations and construction activities are seasonal and limited to an operating period from May to October. Due to existing funding constraints (caused by prior commitments to finance Century's Lamaque mine), the Savkino Phase 2 expansion is already 2 months behind schedule; however, the Savkino Phase 2 expansion can be completed and commissioned in time to meet the VTB gold production covenant in 2013 (described below) as long as there are no further delays.

Diascia has covenanted under the VTB Facility that it will produce 45,800 ounces of gold for the twelve months ending December 2013. With the successful completion and commissioning of the Savkino Phase 2 expansion, Savkino's gold production will increase from 20,000 to 50,000 ounces per annum. However, if construction is postponed until May 2013, the Company will not achieve the covenanted levels of gold production in 2013, which may result in VTB enforcing its rights under the VTB Facility and realizing upon the security it holds.

Prior to the Century Default and based upon the expectation that the Initial Transactions would have been completed, the Company expected that USD\$10 million funding from the Initial Transactions and the anticipated cash flow from Century would have supported the Company's ongoing corporate, development and operational activities during the balance of 2012. However, as a result of the Century Default, the Company did not receive USD\$10 million pursuant to the Initial Transactions.

The Company's current operational cash flows are insufficient to cover the estimated USD\$6 million of near-term capital cost commitments relating to the Savkino Phase 2 expansion which are required during the first half of July.

Based upon the comprehensive review of the Company's commitments, prospects and funding requirements completed by the Company following the Century Default, the board of directors of the Company, including the Special Committee, has concluded that the Private Placement offers the only practical and timely financing solution to meet the needs of the Company.

The Private Placement is structured to:

- enable the Company to complete the development of the Russian projects and prevent a potential event of default under the VTB Facility; and
- provide certainty of immediate funding of USD\$8 million (pursuant to the standby commitments of Unique and Kirkland, of which USD\$2.5 million has already been advanced by Kirkland).

Although the Company recognizes that reliance upon the financial hardship exemption is not a preferred route, the board of directors and management of the Company believe it is a necessary route given the serious immediate financial needs the Company faces.

About White Tiger

The Company is a TSX-listed mining and exploration company, focused on the development of mineral resources in the Russian Federation.

Caution Concerning Forward-Looking Information

This news release contains forward looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements") relating, but not limited to, the Company's expectations, intentions and beliefs (including, without limitation, statements regarding, the

Private Placement and the Loan Transactions, including the proposed terms and timing of the closing thereof and the Company's plans to obtain certain shareholder approvals in connection therewith, the use of proceeds from the Private Placement, the ability of the Private Placement, if completed, to improve the Company's financial position and provide it with sufficient liquidity in the intermediate term, the Company's potential need to seek interim funding arrangements pending completion of the Private Placement and the Company's plan to complete the Savkino Phase 2 expansion project).

Words such as "may", "will", "should", "anticipate", "plan", "expect", "believe", "estimate" and similar terminology are used to identify forward-looking statements. Such statements are based on assumptions, estimates, opinions and analysis made by the management of the Company in light of their experience, current conditions and their expectations of future developments as well as other factors which they believe to be reasonable and relevant. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. Risks and uncertainties that may cause actual results to vary include but are not limited to: the Company's failure to complete the Private Placement and the Loan Transactions as currently proposed or at all, the Company's failure to obtain any shareholder and/or regulatory approvals required to complete the Private Placement and/or the Loan Transactions (including acceptance by the TSX of the Company's application for an exemption from the requirement to obtain shareholder approval of the Private Placement on the basis that the Company is in serious financial difficulty), the Company's ability to obtain interim funding on satisfactory terms or at all if the Private Placement is not closed by July 13, 2012, the Company's ability to complete and commission the Savkino Phase 2 expansion project within the time required to meet the VTB 2013 gold production covenant, the Company's ability to demonstrate compliance with TSX listing requirements following completion of the Private Placement and the Loan Transactions and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this press release, and no assurance can be given that such events will occur in the disclosed time frames or at all.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

No U.S. Registration

The securities offered will not be or have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S of the Securities Act) or person in the United States, unless an exemption from such registration requirements is available. This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States.

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