



8 September 2008

SINO GOLD ANNOUNCES RMB231 (US\$34) MILLION LOAN FOR WHITE MOUNTAIN

Highlights

- RMB231 (US\$34) million five-year loan facility provided by the China Construction Bank for the White Mountain Gold Mine.
- Dry commissioning of White Mountain processing plant has commenced.
- White Mountain on-track for commercial gold production in early 2009.

Sino Gold Mining Limited (ASX:SGX, SEHK:1862) is pleased to advise that the China Construction Bank has provided a RMB231 (US\$34) million loan facility for the Company's White Mountain Gold mine in Jilin Province, China.

Commenting on the loan facility, Sino Gold Chief Executive Officer Jake Klein said:

"This loan facility from a Chinese bank represents a breakthrough in broadening our funding sources.

"This funding is very efficient for us as it is a Renminbi denominated loan at an interest rate that compares very favourably internationally. Sino Gold's gearing remains very low and we will continue to evaluate how to optimise the structuring of our borrowings.

"We are delighted to be working with the local Baishan branch of the major China Construction Bank. This is another example of the great support White Mountain has received from local business and government authorities.

"Dry commissioning of White Mountain processing plant has commenced with the overall project now 90% complete and we are well on track to deliver our second gold mine.

The project remains on-schedule for the first gold to be poured before the end of 2008 and commercial gold production in early 2009."

The key terms of the loan facility are:

- Loan amount of RMB231 (US\$34) million comprised of a 5-year RMB190 (US\$28) million construction facility and 12-month RMB41 (US\$6) million working capital facility.
- Floating interest rate in line with the People's Bank of China published rates, currently 7.7% pa for the construction facility and 7.5% pa for the working capital facility.
- No hedging required to be put in place.
- Sino Gold Jilin BMZ Mining Limited is the borrower and Sino Gold Mining Limited is the guarantor of the loan.

The facility has minimal upfront costs and the loan may be prepaid without penalty.

As advised in Sino Gold's June 2008 Quarterly Report, Renminbi appreciation and increasing input costs have put the US\$55 million capital cost guidance at risk by up to 15%.

Excellent progress of construction at White Mountain is demonstrated by the recent photos below.



Overview of processing facility



**Electrical sub-station
(now connected to mains power supply)**



Ore conveyor belt installed



Tailings dam embankment completed

About White Mountain

White Mountain is being developed into Sino Gold's second mine during 2008 and is located 230km south-southeast of Changchun, the capital city of Jilin Province in northeast China. Sino Gold owns 95% of the project and the surrounding 128km² exploration licences.

The White Mountain project is located 7km from the prefecture level city of Baishan, a coal and iron ore mining centre.

A major northeast trending regional fault zone hosts the gold mineralisation at White Mountain, with mineralisation known to extend 1.5km along strike.

Mineral Resources total 12.4 million tonnes at 3.0g/t gold, containing 1.2 million ounces gold and Ore Reserves total 6.5 million tonnes at 3.8g/t gold, containing 784,000 ounces.

In August 2007, the Company's Board of Directors approved the development of White Mountain, primarily comprising an underground mine and a CIL processing plant.

Gold production averaging 65,000 to 70,000 ounces per annum is planned to result from design mill throughput of approximately 650,000 tonnes per annum and overall gold recoveries averaging 80%.



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