



JUNE 2009 QUARTERLY REPORT

KEY POINTS

Operations Summary June 2009 Quarter	Jinfeng	White Mountain	Total	Attributable
Gold Production (ounces)	41,453	11,914	53,367	45,310
Cash Operating Cost (US\$/ounce)	379	430	391	392

Sino Gold Group

- Sino Gold's operations produced a record **53,367 ounces of gold** (up 51% on June 2008 Quarter production of 35,412 ounces) at a **cash operating cost of US\$391/ounce**.
- Sino Gold on track to deliver to the **upper end of 2009 guidance of 210,000-230,000 ounces of gold at less than US\$400 per ounce**.

Jinfeng

- Continued consistent gold production and costs with **41,453 ounces at a cash operating cost of US\$379/ounce**.
- Improved throughput rates achieved during the quarter.
- Power authorities have advised that the price of electricity will be reduced by 10% over the wet season.

White Mountain

- Ramp-up of Sino Gold's second mine continued to be **ahead of schedule**.
- During only the second quarter of commercial gold production, White Mountain produced **11,914 ounces at a cash operating cost of US\$430/ounce – June operating costs were less than US\$400/ounce**.
- Ore mined increased by 38% to 109,000 tonnes for the quarter.
- The processing plant performed well and achieved gold recoveries averaging 83% (design 81%).

Eastern Dragon

- Eastern Dragon **on-track for construction to commence in the September 2009 Quarter**.
- Permitting, detailed engineering and procurement have been significantly advanced.
- Earthworks contract awarded and contractor mobilising to site.
- Targeted production remains **90,000 ounces of gold annually from Lode 5 at a cash operating cost of US\$125/ounce** for the first five years of operation from 2011.

Beyinhar

- Site work has commenced for a heap-leach trial aimed at improving confidence in gold grades and recoveries with results expected ahead of next construction season.

Exploration

- Exploration is in full swing during the summer field season with 13 drill rigs now active in China.
- Mineralisation at Eastern Dragon has been extended along strike in both directions with intercepts including **22.4m at 6.3g/t gold, 34g/t silver and 12.4m at 7.2g/t gold, 44g/t silver**.

Corporate

- Sino Gold's rapid growth has led to the Company's inclusion in the S&P/ASX 100 Index.
- Gold Fields Limited agreed to sell its 19.8% shareholding in Sino Gold to Eldorado Gold Corporation.
- Net available **cash of US\$99 (A\$122) million** and no gold hedging contracts.

SAFETY & ENVIRONMENT

No lost time injuries and no reportable environmental incidents occurred at any of the Company's project sites during the quarter.

OPERATIONS - JINFENG MINE (82% EQUITY)

Sino Gold's Jinfeng Gold Mine produced **41,453 ounces of gold at a cash operating cost of US\$379/ounce** during the quarter.

Jinfeng Mine Operating Performance		September 2008 Quarter	December 2008 Quarter	March 2009 Quarter	June 2009 Quarter	2009 Year-to-Date
Waste Mined	bcm ('000)	2,326	2,903	2,532	2,618	5,150
Ore Mined – Open Pit	Tonnes ('000)	376	437	385	317	702
Ore Mined - UG	Tonnes ('000)	0	14	32	38	70
Ore Milled	Tonnes ('000)	304	367	356	366	722
Head Grade	g/t gold	4.7	4.8	4.5	4.3	4.4
Overall Recovery	%	84.0	82.5	82.4	82.8	82.6
Gold Production	Ounces	38,250	46,290	42,342	41,453	83,794
Gold Sold	Ounces	37,958	44,413	42,183	45,241	87,424

Note: Ore stockpiles totaled 517,000 tonnes at 30 June 2009.

As anticipated, the head grade of 4.3g/t gold for the quarter reflects the mining of scheduled lower grade ore in the open pit. Tonnes milled for the quarter were in-line with the previous two quarters due to a mill shutdown, which offset improved throughput rates over much of the quarter. Throughput rates averaged 193 tonnes per hour ("tph") for the months of May and June – a 6% increase on the 182tph achieved for the March quarter. This initial increase in throughput was achieved at zero capital cost. The potential installation of additional crushing capacity continues to be evaluated.

The increased throughput rates were largely achieved by a combination of improvements in SAG mill control and modifications to the primary crusher liners. Spare capacity in the backfill plant crusher was to be utilised to supply additional fine material to the mills but improved throughput rates through the SAG mill meant that only a minimal amount of this material needed to be processed.

Development of the underground mine continued and the advance rate increased to 2,163m for the quarter. Underground development costs decreased to less than US\$1,000/metre, a 15% reduction on the previous quarter. The backfill plant was successfully commissioned during the quarter.

After initial sill development on three sub-levels, a decision has been made to transition from overhand to underhand cut-and-fill mining, based on an assessment of ground conditions encountered to date. The underhand method is considered safer for the Jinfeng ground conditions and potentially more productive. The change is not anticipated to have a significant impact on underground mining costs largely due to the low cost of cement in China. Reconfiguring development access to stopes mined by the new method will reduce ore production over the coming few months. The underground mine is now planned to contribute a total of approximately 250,000 tonnes of ore during 2009. This change will not affect Jinfeng's gold production guidance.

Power authorities have advised that the price of electricity will be reduced by 10% from June 2009. This reduction will apply while abundant hydro-power is available during the wet season and may be extended beyond this period.

Cash operating costs remained low at US\$379/ounce for the quarter with a lower head grade being offset by a lower cost per tonne milled of US\$43/tonne. Payment of a 2007 insurance claim relating to defective BIOX agitators reduced costs by US\$2/tonne. Positive ongoing factors for maintaining unit costs at this level include increasing throughput, lower power costs and improved open-pit costs due to synergies with the current tailings dam lift.

The table below provides a breakdown of Jinfeng unit costs in line with gold industry standards.

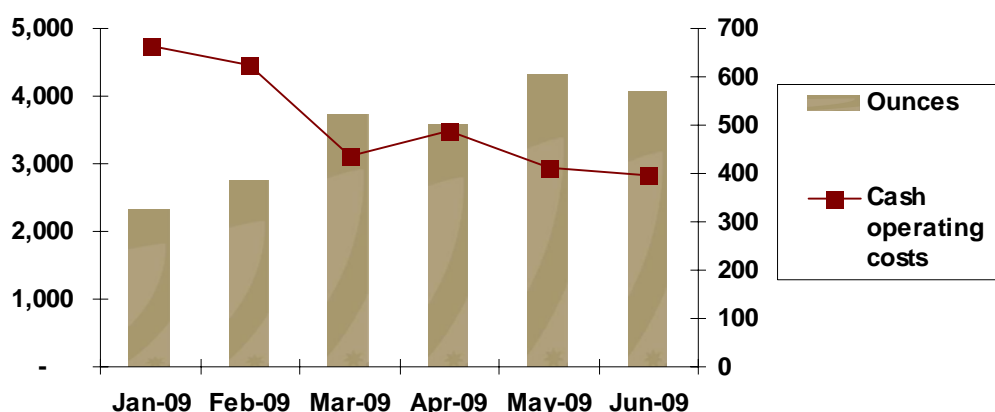
Jinfeng Mine Unit Costs (US\$/ounce)	September 2008 Quarter	December 2008 Quarter	March 2009 Quarter	June 2009 Quarter	2009 Year-to-Date
Cash operating cost	402	375	380	379	380
Royalties, production taxes & refining	42	37	42	44	43
Total cash cost	444	412	422	423	422
Depreciation, amortisation & rehab	80	81	110	110	110
Total production cost	524	493	532	533	533

Jinfeng Outlook

Jinfeng's gold production is forecast to gradually increase over the remainder of 2009.

OPERATIONS - WHITE MOUNTAIN (95% EQUITY)

White Mountain Ramp Up



Ramp-up of production at the new White Mountain Gold Mine continued to proceed ahead of schedule. A total of **11,914 ounces** was produced at a cash operating cost of **US\$430/ounce** during only the second quarter of commercial gold production.

Ore mined increased by 38% to 109,000 tonnes for the quarter with ore predominantly being mined from open stopes in the upper central portion of the orebody.

White Mountain Mine Operating Performance		March 2009 Quarter	June 2009 Quarter	2009 Year-to-Date
Ore Mined	Tonnes ('000)	79	109	188
Ore Milled	Tonnes ('000)	106	113	219
Head Grade	g/t gold	3.5	4.0	3.7
Overall Recovery	%	74.1	82.8	79.2
Gold Production	Ounces	8,800	11,914	20,714
Gold Sold	Ounces	6,714	14,577	21,291

The water inflows referred to in the March quarterly report are being controlled through improved pumping capacity and additional sumps to settle the water prior to discharge. Decline development rates returned to normal in June with development totalling 1,512m for the quarter

The underground production drilling teams are transitioning from contract mining to owner-operator, with the same changes being evaluated for the blasting and stope bogging teams. These changes are driven by the need to control costs and manage those areas that directly impact on the grade delivered to the mill. It is likely that the mine will continue to engage contractors for the development and haulage aspects of the underground mine.

The processing plant continues to perform well and has generally needed to utilise only one of the two ball mills to treat all ore mined. Overall gold recoveries of 83% for the quarter have also been well above expectations for this early stage of the project.

Ore will predominately be sourced from the upper central mining area over the remainder of the year and overall gold recoveries are likely to be reduced by the slightly more refractory nature of this ore.

White Mountain's cost performance has been pleasing for a new operation, **with cash operating costs of less than US\$400/ounce being achieved for the month of June.**

White Mountain Mine Unit Costs (US\$/ounce)	March 2009 Quarter	June 2009 Quarter	2009 Year-to- Date
Cash operating cost	514	430	484
Royalties, production taxes & refining	30	37	34
Total cash cost	544	467	518
Depreciation, amortisation & rehab	134	134	134
Total production cost	678	601	638

White Mountain Outlook

The ramp-up of ore mined over the remainder of 2009 should enable gold production to reach the design rate of 65,000 ounces per annum by the December Quarter.



DEVELOPMENT - EASTERN DRAGON (95% EQUITY)

Sino Gold's Board of Directors approved the US\$65 million development of Eastern Dragon - the Company's third mine (detailed in an announcement released on 21 April 2009).

The operation is planned to produce an **average of 90,000 ounces per annum over the first five years of production at an average cash operating cost (C1) of approximately US\$125 per ounce**. First commissioning gold production is anticipated in the December Quarter of 2010.

Significant progress was made in permitting the Eastern Dragon project during the quarter as summarised in the table below.

Permit	Status
Exploration Licence	Issued
Resource Verification	Approved
Chinese Feasibility Study	Approved
Occupational Health Assessment	Approved*
Geological Hazards Study	Approved*
Water & Soil Conservation Plan	Approved*
Cultural Heritage Investigation	Approved*
Safety Assessment	Pending
Environmental Impact Assessment	Pending
Project Permit	Pending
Gold Mining Certificate	Pending
Mining Licence	Pending

* received in current quarter.

The Environmental Impact Assessment report has been endorsed by the Prefecture Environmental Protection Bureau and recommended by the experts panel for approval by the Provincial Environmental Protection Bureau. **The EIA approval is a precondition to the issuance of the Project Permit which authorises construction of the project to commence.** Sino Gold anticipates that this permit will be received during the September Quarter.

The basic engineering work for the project has been completed and detailed design is now well underway. Designs for administration and accommodation buildings have been completed and structural design for the crushing, screening and main processing plant is in progress. The focus is on the completion of detailed earthwork and concrete design ahead of commencing these activities later this year.

Various activities completed during the quarter include:

- Tenders for 18 equipment packages have been issued, including long-lead time items;
- Ball mill and crusher contract has been let;
- Earthworks contract has been awarded to No. 19 Railway Company (the Jinfeng open-pit contractor and contractor on the White Mountain tailings dam); and
- Recruitment of project team continued with more than 30 people now employed.

No. 19 Railway Company is currently mobilising to site and will soon commence construction of roads, drainage systems and various earthworks.

Outlook

Eastern Dragon Lode 5 is a high-grade, gold-silver deposit located in northern China's Heilongjiang Province. The development is considered technically straight-forward and will produce gold at very

low cost, as well as being situated in a highly prospective area where there is excellent potential to increase the resource and reserve base.

The project continues to make good progress towards meeting the ambitious schedule of development commencing in the September Quarter.

FEASIBILITY - BEYINHAR (95% EQUITY)

During 2009, Sino Gold plans to continue to evaluate the potential of the Beyinhar Project in Inner Mongolia to be developed as an open-pit, heap-leach gold operation, which is anticipated to produce approximately 60,000 ounces per annum at an average cash operating cost of US\$450/ounce.

Work has commenced at site to undertake a heap-leach trial of 20,000 tonnes of ore. Topsoil stripping has commenced and the necessary crushing equipment has been mobilised to site. The trial is aimed at increasing confidence in gold grades and recoveries estimated to date. The results of this pilot-scale trial are planned to be available in late 2009.

As flagged in Sino Gold's announcement "Upside to Beyinhar Gold Grade" released on 17 March 2009, the samples collected during a reverse-circulation ("RC") drilling program completed in late 2008 have now been analysed at the SGS laboratory in Perth. These RC samples have now been analysed by bulk-leach extractable gold ("BLEG") and by fire assay methods at laboratories in both Mongolia and Australia.

Interpretation of the results from assays of these RC samples continue to indicate that grades in the test area of the Mineral Resource are likely to be conservative. Grades from fire assays are consistently less than BLEG assays for samples containing less than 1g/t gold (Beyinhar's Ore Reserve grade = 0.6g/t gold). The Beyinhar Mineral Resource is based on samples from diamond drilling which were analysed using only the fire assay method.

EXPLORATION

Sino Gold's exploration teams are currently very active during the northern summer field season with 13 drill rigs currently engaged by the Company for exploration in China.

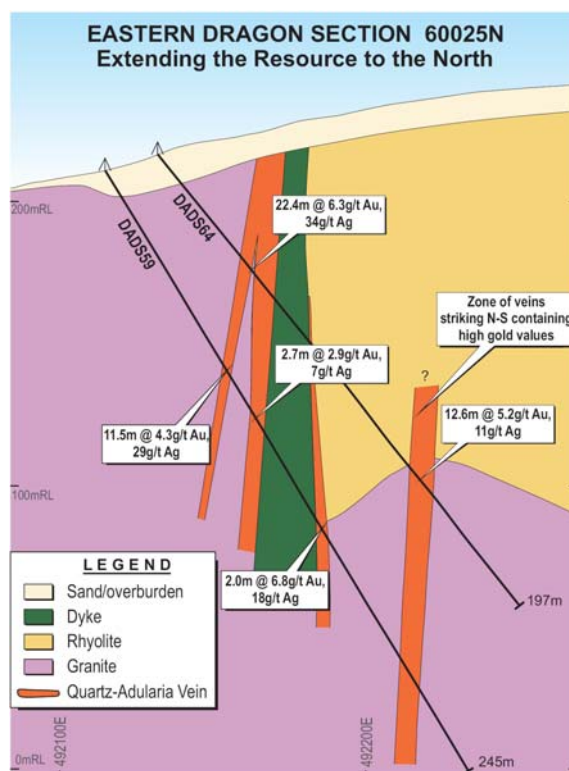


Eastern Dragon Exploration (Heilongjiang Province)

Eastern Dragon Lode 5 is a high-grade, low-sulphidation epithermal gold-silver vein deposit. This style of mineralisation tends to form clusters of similar deposits and thus the surrounding area is considered highly prospective. A number of similar quartz-vein prospects containing anomalous gold have been identified in EL53, which will be initially targeted.

Four drill rigs were active at Eastern Dragon during the quarter. Drilling commenced in late April and a total of 5,192m in 27 diamond drillholes were completed. Assays have been received for 16 of these drillholes.

Drilling has extended known mineralisation in Lode 5 along strike approximately 150m to the north and 75m to the south. Further step-out drilling is planned in both directions along strike.



The table below summarises the key mineralised intercepts from drilling during the quarter.

Hole No.	Northing	Easting	Azi-muth	Dip	From (m)	Downhole Interval (m)	Gold grade (g/t Au)	Silver grade (g/t Ag)	Location
DADS58	5,459,551	492,283	45°	-60°	85.4	9.2	3.9	18	Infill
DADS59	5,460,028	492,113	45°	-60°	80.0	11.5	4.3	29	Northern Ext.
"					145.7	8.3	2.2	12	Northern Ext.
DADS60	5,459,550	492,307	45°	-60°	15.2	7.2	6.5	12	Infill
"					99.7	13.1	4.5	47	Infill
DADS64	5,460,025	492,132	45°	-60°	44.2	22.4	6.3	34	Northern Ext.
"					140.6	12.6	5.2	11	Northern Ext.
DADS65	5,459,263	492,258	45°	-60°	170.85	3.1	3.4	33	Southern Ext.
"					193.3	5.8	2.8	31	Southern Ext.
DADS66	5,459,725	492,226	45°	-60°	132.1	10.0	4.9	48	Infill
DADS67	5,459,263	492,258	45°	-60°	49.8	6.7	3.4	41	Southern Ext.
"					127.3	16.7	1.9	45	Southern Ext.
DADS69	5,459,725	492,254	45°	-60°	92.0	13.6	12.4	69	Infill
DADS70	5,459,263	492,299	45°	-52°	157.8	4.0	3.6	30	Southern Ext.
DADS72	5,459,700	492,365	225°	-60°	157.8	4.0	3.6	30	Southern Ext.
DADS76	5,460,083	492,084	45°	-52°	64.8	12.4	7.2	44	Northern Ext.
DADS80	5,460,175	492,035	45°	-45°	31.8	6.4	1.6	37	Northern Ext.
"					227.8	2.7	1.5	27	Northern Ext.

Note: True width is approximately 45% to 60% of downhole intervals.

Exploration in the surrounding 53 km² Exploration Licence ("EL53") during the quarter was focused on geological mapping and trenching. Sampling of trenches across four quartz veins to the west and northwest of Lode 5 has returned significant gold mineralisation. Trenches across a major north-south trending ground magnetic anomaly to the east of Lode 5 have identified quartz veins in a 40m wide alteration zone.

Two additional drill rigs have been contracted to commence testing of targets identified in EL53 following transfer of the licence into the name of the joint-venture company.

White Mountain Exploration (Jilin Province)

Exploration at White Mountain during 2009 is aimed at making a near-mine discovery that will enable a step-change expansion to the processing facility.

Drilling has commenced at prospects to the southwest and southeast of the White Mountain Mine.

Beyinhar Exploration (Inner Mongolia)

Exploration at Beyinhar is currently aimed at discovering nearby oxide resources that will enable the project to be expanded from the currently planned scale. Reverse-circulation and diamond drilling is being undertaken.

Golden Triangle Exploration (Guizhou and Guangxi Provinces)

Various grassroots prospects in Sino Gold's large Golden Triangle exploration portfolio have been prioritised for drilling and other exploration activities during 2009. An agreement was signed to enable drilling to commence at a tenement contiguous to the Yandan Prospect in Guangxi Province, an area that Sino Gold has previously delineated mineralisation that is wide but low grade. The orebody is interpreted to plunge into the new tenement.

Jinshu Exploration (Yunnan Province)

Drilling at Jinshu has begun to follow-up narrow zones of high-grade gold mineralisation hosted by altered syenite within a wide, low-grade mineralised envelope. Assays are awaited from breccia zones intercepted in two adjacent drillholes.

CORPORATE**Inclusion in S&P/ASX 100 Index**

Following adjustments to the Standard & Poor's / Australian Securities Exchange index series, Sino Gold has been included in the S&P/ASX 100 from 7 July 2009.

Gold Fields Limited

During the quarter, Gold Fields Limited agreed to sell its 19.8% shareholding in Sino Gold to Eldorado Gold Corporation.

Following this transaction, Sino Gold and Gold Fields have agreed not to extend their existing Alliance Agreement. The parties will continue to joint venture with each other in connection with designated projects that had been identified under the Alliance.

Non-Executive Director Tommy McKeith is employed by Gold Fields and he resigned from Sino Gold's Board of Directors on 4 June 2009.

Resource Compensation Fee

As previously reported, the Jinfeng joint venture company is contesting the potential withdrawal of its exemption from the Resource Compensation Fee. An administrative review of the issue is underway and the timing and ultimate outcome of the review process is uncertain.

Sale of Equity Investment

During the quarter, Sino Gold sold its shareholding in Australian Solomons Gold Limited (TSX:ASG) for a pre-tax gain of A\$4.4 million.

Cash and Hedging Position

At 30 June 2009, the Company had available cash of US\$99 (A\$122) million. The Company has RMB911 (US\$133, A\$164) million drawn down under the long-term Jinfeng and White Mountain loan facilities.

The price realised for gold sales during the quarter averaged US\$916 per ounce. Sino Gold does not have any hedging contracts relating to future gold sales, interest rates or foreign exchange transactions.

Exploration expenditure incurred by the Company during the quarter totalled US\$2.1 million.

CORPORATE DIRECTORY

Board of Directors

Jim Askew	Chairman
Jake Klein	CEO
Xu Hanjing	Executive Director
Peter Cassidy	Non-Executive Director
Brian Davidson	Non-Executive Director
Peter Housden	Non-Executive Director
Li Liangang	Non-Executive Director

Company Secretary

Ivo Polovineo

Competent Person

Dr Yumin Qiu (MAIG), who is a full-time employee of Sino Gold in the capacity of General Manager, China Exploration and JVC, takes responsibility for the information in this report which relates to Exploration Results, Mineral Resources and Ore Reserves except where noted otherwise herein. He has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code 2004 Edition). Dr Qiu has consented to inclusion of this information in the form and context in which it appears.

Capital Structure

Sino Gold is listed on the Australian Stock Exchange (ASX Code: SGX) and The Stock Exchange of Hong Kong (SEHK Code: 1862).

As at 15 July 2009, the Company had 292,387,552 ordinary shares on issue and a total of 12,985,159 unlisted options and warrants on issue.

Quarterly Share Price

	High	Low	Close
June 2008 Qtr	\$7.59	\$3.92	\$5.83
Sep 2008 Qtr	\$6.30	\$2.95	\$4.18
Dec 2008 Qtr	\$5.24	\$2.37	\$5.00
Mar 2009 Qtr	\$6.25	\$4.18	\$5.29
June 2009 Qtr	\$6.61	\$4.88	\$5.18

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Please direct enquiries regarding your shareholding to the relevant share registry.

ABOUT SINO GOLD

Sino Gold Mining Limited

ABN: 42 093 518 579

ASX Code: SGX

SEHK Code: 1862

Included in S&P/ASX 100 Index

Sino Gold is the leading international gold exploration and mining company in China and is listed on the Australian Securities Exchange (ASX Code:SGX) and The Stock Exchange of Hong Kong (SEHK Code:1862).

The 82%-owned **Jinfeng** Gold Mine in southern China's Guizhou Province and is now the second largest gold mine in China with 2008 gold production of 151,000 ounces. Jinfeng's gold production is planned to increase as the processing plant is de-bottlenecked and as higher-grade ore from the underground mine supplements ore from the open pit.

The 95%-owned **White Mountain** Gold Mine in northeast China's Jilin Province and commenced commercial gold production in January 2009. Upon reaching design production rates, White Mountain will produce an average of 65,000 ounces of gold annually.

The high-grade **Eastern Dragon** Project in northern China's Heilongjiang Province has excellent potential to produce very low-cost gold and is being rapidly progressed towards becoming Sino Gold's third mine.

Sino Gold continues to assess the potential of the **Beyinhar** Project in Inner Mongolia to be developed into an open-pit, heap-leach gold operation.

Total gold production from the Jinfeng and White Mountain Mines

for calendar 2009 is planned to be in the range of 210,000 to 230,000 ounces at a cash operating cost of less than US\$400/ounce.

With the planned development of Eastern Dragon and Beyinhar, Sino Gold is targeting annual gold production of more than 400,000 ounces at a cash cost of ~US\$300/ounce by 2012.

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