

HISTORY AND DEVELOPMENT

The Company was incorporated in NSW on June 28, 2000 and listed on the ASX on December 3, 2002. However, the history of the Group can be traced back to 1995 when China National Non-Ferrous Metals Industry Corporation, a Chinese state-owned company, formed Sino Mining International Limited, the Company's founding Shareholder. The Company and its predecessor have actively engaged in mining and exploration of gold in the PRC since its inception.

The Group's key milestones are as follows:

- 1995 ● Sino Mining International Limited was established by China National Non-Ferrous Metals Industry Corporation
- 1996 ● the Jianchaling Gold Mine was initiated
- 1998 ● the Jianchaling Gold Mine mine was commissioned with a designed gold output of 65,000 oz p.a.
- 1999 ● the China Review Project was initiated
- 2000 ● Sino Mining Limited (now known as the Company) was formed as a result of a spin-off of Sino Mining International Limited's gold business including the Jianchaling Gold Mine
- 2001 ● the Jinfeng CJV agreement was executed
- 2002 ● the initial public offering of the Company was completed and the Company was listed on the ASX
- 2003 ● the Jindu CJV agreement was executed
- the White Mountain CJV was established
- 2004 ● the Heishan CJV was established
- exploration at the White Mountain Project generated positive results
- the feasibility study for the Jinfeng Project was completed
- 2005 ● the project development permit for the Jinfeng Project was issued
- the Jinluo CJV and Sandi CJV were established
- the Sanjianfang CJV agreement was executed
- development at the Jinfeng Project commenced
- mineral resource of 436,000 oz of gold was delineated at the White Mountain Project

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- 2006
- mineral resource of 4.04 Moz of gold and ore reserve of 2.9 Moz of gold were delineated at the Jinfeng Project
 - the Hexi CJV, the North Mountain CJV and the Greatland CJV agreements were executed; the Golden Triangle CJV was established
 - the Jianchaling Gold Mine was successfully divested
 - the Heads of Agreement with Gold Fields Australasia was executed
- 2007
- mineral resource of 846,000 oz of gold was delineated at the White Mountain Project
 - the Company's name was changed from Sino Gold Limited to Sino Gold Mining Limited

CHANGES IN SHAREHOLDING STRUCTURE

From 2000 to 2006, there were a number of changes in the shareholding structure of the Company.

Between late 2000 and August 2002, fresh capital was injected into the Company resulting in the dilution of the interest of Sino Mining International Limited from 100% to 42.5%. Refco Group Limited LLC (a U.S.-based commodities trading company) and certain employees and associates at that time subscribed for shares representing 57.5% of the Company.

Prior to the Company's initial public offering and listing on the ASX, cornerstone investors, including Gold Fields Australasia, Colonial First State Investments Ltd. and Standard Bank London Limited, purchased Shares representing 25.9% of the pre-initial public offering issued share capital of the Company from certain Shareholders and also subscribed for Shares representing 10.1% of the pre-initial public offering issued share capital of the Company. The Company also issued convertible notes to International Finance Corporation for US\$5.0 million.

On December 3, 2002, the Company was listed on the ASX after raising A\$12.3 million from over 500 new Shareholders. The prospectus issued at the time of the listing of the Company on the ASX indicated that the funds raised would be used for exploration and development (after payment of the expenses of the listing process). The funds raised at the time of the listing on the ASX were used for those purposes.

On December 3, 2002, Sino Mining International Limited held 16,200,000 Shares representing 16.0% of the then total issued Shares. Sino Mining International Limited has subsequently sold some of its Shares. As at the Latest Practicable Date, Sino Mining International Limited held 10,020,805 Shares, representing 6.2% of the then total issued Shares.

On December 3, 2002, Gold Fields Australasia held 10,800,000 Shares representing 10.7% of the then total issued Shares. Gold Fields Australasia has subsequently acquired additional Shares. As at the Latest Practicable Date, Gold Fields Australasia held 27,717,630 Shares, representing 17.2% of the then total issued Shares.

On December 3, 2002, Standard Bank London Limited held 10,418,020 Shares representing 10.3% of the then total issued Shares. Standard Bank London Limited has subsequently sold its Shares. As at the Latest Practicable Date, Standard Bank London Limited held no Shares.

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On December 3, 2002, Refco Group Limited LLC held 16,600,000 Shares representing 16.4% of the then total issued Shares. Refco Group Limited LLC has subsequently sold its Shares. As at the Latest Practicable Date, Refco Group Limited LLC held no Shares.

On December 3, 2002, Colonial First State Investments Ltd held 10,800,000 Shares representing 10.7% of the then total issued Shares. Colonial First State Investments Ltd has subsequently sold some of its Shares. As at the Latest Practicable Date, Colonial First State Investments Ltd held 9,710,099 Shares representing 6.0% of the then total issued Shares. Colonial First State Investments Ltd is now part of the Commonwealth Bank of Australia group of companies. As at the Latest Practicable Date, Commonwealth Bank of Australia and its subsidiaries held 11,146,164 Shares, representing 6.9% of the then total issued Shares.

In June 2003, the Company issued 10.8 million Shares to International Finance Corporation as a result of the mandatory conversion of convertible notes.

In December 2003, the Company made a further placement of 16.8 million Shares to a broad range of investors in Australia, Europe and North America, raising A\$42.0 million. The Company announced at the time of the placement that the funds raised would be used for development of the Jinfeng Project. The funds raised were used for this purpose.

In March 2005, the Company issued convertible notes to a number of investors in Europe, raising US\$35 million. The Company announced at the time the convertible notes were issued that the funds raised would be used for development of the Jinfeng Project. The funds raised were used for that purpose.

In early 2006, the Company made a placement of 18.5 million Shares to a number of investors in Australia, Europe and North America, raising A\$61.1 million. The Company announced at the time of the placement that the funds raised would be used for the purposes of accelerating the expansion of the Jinfeng Project, increasing exploration activity and for other general business and development opportunities. The funds raised were used for these purposes.

In late 2006, the Company entered into the Heads of Agreement with Gold Fields Australasia, which included, among other things, a conditional agreement to issue 6.5 million Shares to Gold Fields Australasia, raising A\$36.3 million. The 6.5 million Shares were issued to Gold Fields Australasia on January 9, 2007. The Company announced at the time of the issue of the Shares that the funds raised would be used for optimization of the gold processing facilities at the Jinfeng Project, acquisitions, exploration activities and working capital.

Details of all shareholders who held a beneficial interest in 5% or more of the Shares of the Company as at the Latest Practicable Date are set out in the section headed “Substantial and Selling Shareholders — Substantial Shareholders” in this prospectus.

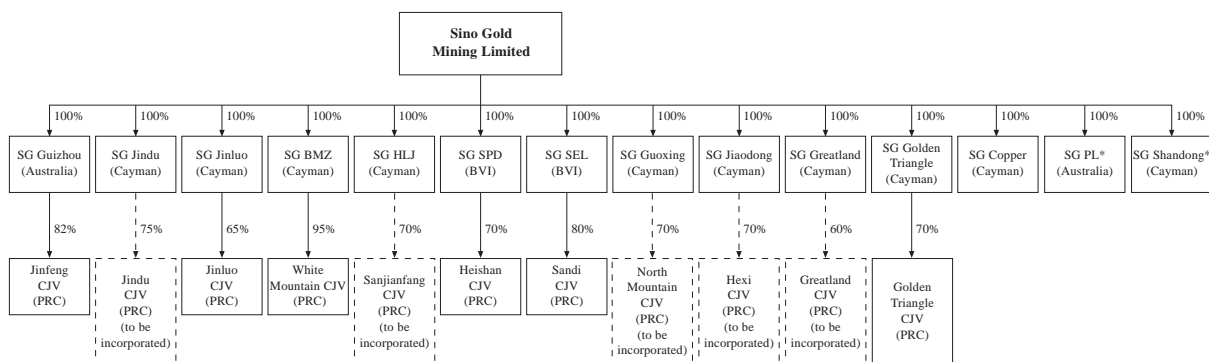
For details in relation to the changes in shareholding structure of the subsidiaries, please refer to “Appendix VI — Statutory and General Information — Changes in the Share Capital of Subsidiaries” of this prospectus.

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All the Group’s existing and pending mining projects are held through CJV companies, in which the Group holds between 60% and 95% of the interest. The Company holds its interests in the CJV companies through wholly-owned subsidiaries, each of which is incorporated either in Cayman, BVI or Australia.

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The corporate structure of the Group as at the Latest Practicable Date is shown below:



* dormant companies

The Company has entered into CJV agreements with local Chinese partners in respect of the formation of eleven CJV companies. Six of these CJV companies have already been incorporated, while five of the CJV companies are still pending governmental approval.

Set out below is a table providing further information in relation to each of the six incorporated CJV companies of the Group.

Name	Date of Establishment	Principal Business	Equity Interests
Jinfeng CJV . .	July 8, 2002	Gold exploration and development in the Jinfeng Project and anticipated production in the Jinfeng Project mine	SG Guizhou (82%) Lannigou (18%)
White Mountain CJV	November 14, 2003	Gold exploration and development in the White Mountain Project	SG BMZ (95%) Tonghua (5%)
Jinluo CJV . . .	January 18, 2005	Gold exploration and development in the Jinluo Project	SG Jinluo (65%) Guiyang Minerals (35%)
Heishan CJV .	July 26, 2004	Gold exploration and development in the Heishan Project	SG SPD (70%) Shandong Bureau (30%)
Sandi CJV . . .	June 6, 2005	Gold exploration and development in the Sandi Project	SG SEL (80%) Zhengyuan (20%)
Golden Triangle CJV	December 14, 2006	Gold exploration and development in the Golden Triangle Project	SG Golden Triangle (70%) Guangxi Institute (30%)

In respect of the Jinfeng CJV, through SG Guizhou, the Company holds a legal 85% equity interest. The Company, in a letter dated December 11, 2001, confirmed to Lannigou that the former would transfer 3% of its equity interest to the latter subject to conditions, which the Company expects to be fulfilled or waived, and upon approval by the relevant PRC governmental authorities. The Company planned to transfer 3% of its equity interest to Lannigou subject to the condition that the Jinfeng CJV obtains the Gold Operating Permit. Since the Jinfeng CJV obtained the Gold Operating Permit on December 25, 2006, the

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Group will now negotiate with Lannigou regarding the specific terms and conditions of the share transfer agreement. The Group considers itself to have an 82% equity interest in the Jinfeng CJV, and will hold a legal 82% interest upon fulfilment or waiver of the conditions and approval by the relevant PRC governmental authorities. To realise the transfer of 3% equity interest in Jinfeng CJV, the Company must take the following major steps:

- SG Guizhou must enter into a formal share transfer agreement and an amendment to the articles of association with Lannigou regarding the share transfer;
- the share transfer agreement and the amended articles of association must be approved by the Bureau of Commerce of Guizhou Province, and the renewed certificate of approval must be issued by the Guizhou Provincial People's Government; and
- the share transfer agreement and the amended articles of association must be filed with the Guizhou Administration for Industry and Commerce within one month from the date of issuance of the certificate of approval.

The Company expects that the approval for the share transfer and the amended articles of association will be issued in the first half of 2007. All references in this prospectus to such interest are made on this basis.

In addition to the CJV companies that have been incorporated, set out below is a table providing further information in relation to each proposed CJV company that is still pending governmental approval.

Name	Date of Execution of CJV agreement	Principal Business	Equity Interests
Jindu CJV . . .	July 24, 2003	Gold exploration and development in the Jindu Project	SG Jindu (75%) China Gold (25%)
Hexi CJV	August 24, 2006	Gold exploration and development in the Hexi Project	SG Jiaodong (70%) Zhaoyuan Hexi (30%)
Sanjianfang CJV	July 28, 2005	Gold exploration and development in the Sanjianfang Project	SG HLJ (70%) Brigade 707 (30%)
North Mountain CJV	August 28, 2006	Gold exploration and development in the North Mountain Project	SG Guoxing (70%) Minxing (30%)
Greatland CJV	October 26, 2006	Gold exploration and development in the Greatland Project	SG Greatland (60%) Brigade 105 (40%)

SG Jindu and China Gold entered into a cooperative agreement in relation to Jindu CJV on July 24, 2003. After that, China Gold commenced its reorganization, which was not completed until the second quarter of 2006. In the course of the aforesaid reorganization, the application for approval of the Jindu CJV's incorporation was suspended as agreed by the parties to the Jindu CJV. Following the completion of the reorganization, the application of incorporation was resumed. It is expected that the Company will obtain the approval in the first half of 2007.

The governmental approvals for the incorporation of the other four CJV companies are also expected to be obtained in the first half of 2007.

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For further details of the CJV agreements, please refer to the sections headed “Business — Information on CJV agreements” and “Business — Summary of CJV agreements” in this prospectus.

On November 22, 2006, the Company entered into the Heads of Agreement with Gold Fields Australasia. For details of the agreement, please refer to the section headed “Business — Recent Developments” in this prospectus.