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March 5, 2007

The Directors
Sino Gold Limited
Level 8, 17 Bridge Street
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Australia

Dear Sirs,

Independent Technical Adviser Report

The following report summarises the findings of an independent technical and economic assessment of the processing plant, associated infrastructure and exploration and mining properties operated by Sino Gold Limited ("the Company"). The report has been prepared by Steffen Robertson and Kirsten (Australasia) Pty Ltd, trading as SRK Consulting ("SRK"), located at Level 6, 44 Market Street, Sydney, New South Wales, 2000, Australia.

The purpose of this report is provide an independent technical assessment of the Company's mineral assets for inclusion in a prospectus to be issued by the Company to support a proposed listing on The Stock Exchange of Hong Kong Limited. This report has been prepared in accordance with the Rules Governing the Listing of Securities ("Listing Rules") of The Stock Exchange of Hong Kong Limited, in particular Chapter 18.

The report set out in Appendix IV to the prospectus of the Company dated March 5, 2007 is the only report provided by SRK and has been compiled to include the details required by the Listing Rules. SRK's Independence SRK has no prior association with the Company in regard to the mineral assets that are the subject of this report, other than as an independent consultant. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence. Neither SRK nor any of the authors of this report has any material present or contingent interest in the outcome of this report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of SRK. Neither SRK nor any of the authors of this report holds any share capital of the issuer.

Steffen Robertson and Kirsten (Australasia) Pty Ltd
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Trading as SRK Consulting

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Scope of Work

The findings in this report are based on information gathered prior to and during site inspections made to the mines and processing plants of the Company by SRK personnel and on information subsequently supplied to SRK through E-mail or Facsimile messages or various telephone conversations. During site inspections, SRK personnel held detailed and open discussions with site personnel at each mine or processing plant. Visits were made to the operating mine, the concentrator, the smelter, the refinery and planning and administration offices.

SRK conducted investigations into and has reported upon various technical areas including geology and resource estimation, mining engineering and reserves estimation, metallurgy and processing, environmental and social aspects, statutory requirements including tenement boundaries, company management methods and structure, operating costs and capital investments.

Reporting Standard

The following report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the Valmin Code. The Valmin Code is the code adopted by the Australasian Institute of Mining and Metallurgy and the standard is binding upon all AusIMM members. The Valmin code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves. It is SRK's opinion that the report is prepared in accordance with international reporting standards for mineral resources and ore reserves.

In comparing the Company's practice against the international best practice, SRK has made comparisons in the report which are qualitative in nature. In the case of quantitative comparison, sources of data are provided. This report is not a Valuation Report and does not express an opinion as to the value of mineral assets. Aspects reviewed in this report do include product prices, socio-political issues and environmental considerations, however SRK does not express an opinion regarding the specific value of the assets and tenements involved.

Consents

SRK consents to this Report being included, in full, in the Company's prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose. SRK provides this consent on the basis that the technical assessments expressed in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

Yours Sincerely,
SRK Consulting
M J Warren, BSc (Mining Eng), MBA, MAusIMM, FAICD
Principal Consultant (Project Evaluations)

EXECUTIVE SUMMARY

Sino Gold Limited ("Sino" or "the Company") commissioned Steffen Robertson and Kirsten (Australasia) Pty Ltd trading as SRK Consulting ("SRK") to review the assets of the company, including the Jinfeng gold project and exploration tenements in China, which are owned by the company or are in Joint Venture (JV) with Chinese partners. SRK was required to provide an Independent Expert Report to enable potential investors to review the operations of the Company.

SUMMARY OF PRINCIPAL OBJECTIVES

The purpose of this Report is to provide potential Sino shareholders and The Stock Exchange of Hong Kong Limited ("the Stock Exchange") with an Independent Expert Report suitable for inclusion in documents that Sino plans to submit to the Stock Exchange in relation to a proposed listing of the shares of the company on the Stock Exchange.

OUTLINE OF WORK PROGRAM

The work program consisted of a review of data provided by Sino, Sino Guizhou Jinfeng Mining Limited and Sino Gold Jilin BMZ Mining Limited site inspections in Guizhou Province, including the open-pit mine, exploration areas, the processing plant and review of documents provided. After discussions with staff of the company, SRK analysed the data provided and prepared this report, which was provided to the company as a draft for review of factual content.

JINFENG PROJECT

The Jinfeng Project is located in Guizhou Province, approximately 220 kilometres (km) south-west of Guiyang, as shown in the following figure.

Geology

The Jinfeng Project is located at the north-eastern corner of the Laizhishan Dome within a district known as the Golden Triangle. Jinfeng is the largest known example of a Carlin-style gold deposit in the Golden Triangle. The Laizhishan Dome exposes Silurian to Late Triassic age sedimentary rocks that were originally deposited in the predominantly marine Youjian Basin and have subsequently been folded and uplifted to form a number of regional scale domes including the Laizhishan Dome.

The Jinfeng Gold Resource is hosted within and immediately adjacent to a series of interconnected major faults (locally known as F3, F2, F20, F7 and F12-Rongban faults). The mineralisation consists of disseminated pyrite, arsenical pyrite and arsenopyrite which replace the shale and sandstone of the Middle Triassic Xumin Formation within the faults and in the immediate wall rock at the edge of the faults. The gold occurs in the rims of fine grained pyrite and arsenopyrite grains and so is very finely distributed through the deposit.

Sino has a good understanding of the controls on mineralisation such that the Jinfeng deposit can be efficiently mined by open-pit and underground methods. The key characteristics of the deposit are understood both by the project development teams and by the regional exploration teams.

Initial discovery of Jinfeng in the early 1980's occurred during following up of the source of regional stream sediment survey geochemical anomalies. Subsequently Brigade 117 defined a 1.5 Million ounce (Moz) deposit by mapping, surface trenching, development of a number of exploration adits and drilling. From 2002 Sino has been involved in exploration and has further delineated the extents of the deposit and incrementally added to the size of the Resource.

The gold at Jinfeng is associated with arsenic-rich pyrite and arsenopyrite (sulphides) such that there is a correlation between gold and sulphur and gold and arsenic values in the deposit. The gold is considered refractory, which means it cannot be easily separated from the sulphur during processing without breaking down the sulphide chemical structure (to sulphate via an oxidation process). The accelerated oxidation processes used during commercial processing require monitoring of the ratio between sulphur and gold to achieve optimum recovery and output gold grade.

Resource Estimation

A Resource has been estimated for the Jinfeng deposit using drill hole, underground adit, underground drill hole and surface trenching results. A Mineral Resource estimate, which complied with the JORC Code, was undertaken by Sino, who released the results in February 2006, as shown in the following table.

Resource Estimation as at February 2006 based on 2.0g/t Au Block Cut-Off Grade

Estimated using an Ordinary Kriging geostatistical method

Category	Tonnes ('000)	Gold Grade (g/t)	Contained Gold ('000 oz)
Measured Resource	13,420	5.3	2,287
Indicated Resource	7,766	4.1	1,029
Total of Measured and Indicated	**21,186**	**4.9**	**3,316**
Inferred Resource	4,144	5.4	722
Total of Measured, Indicated and Inferred	**25,330**	**5.0**	**4,038**

The information relating to the Mineral Resources estimate was compiled by Sino, principally:

- Mr Ross Corben, who is a Member of The Australasian Institute of Mining and Metallurgy and a Competent Person in the estimation of Mineral Resources, prepared the estimate of in-situ resources using the Ordinary Kriging (OK) geostatistical method.

- Mr Phillip Uttley, who takes responsibility for its content. He is a full-time employee of Sino and a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Uttley has over 25 years relevant experience in exploration and evaluation of gold deposits, including the estimation of resources in structurally controlled gold deposits and replacement-style gold deposits. Therefore Mr Uttley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the JORC Code.

The processing circuit at Jinfeng requires the sulphur content of the ore from the mine to be between 1.5% and 2.25%. Indications from underground horizontal drill holes and surface angles percussion drill holes are that the upper parts of the surface mine (approximately first 2 years mining) will contain sulphur contents at the lower end of this range. The sulphur and gold grades steadily increase to the upper end of the required range in the deep target areas currently being drilled by exploration.

In the first 2 years of open-pit production, before blending with underground ore is possible, it is expected that the ore types will require blending to achieve the average 1.5% sulphur grade required by the processing plant.

Geotechnical Engineering

— ***Topography and Hydrology***

Slope failures and areas of instability associated with road cuttings at the Jinfeng site are common. SRK note that the rugged topography and numerous cuttings that are required for the development and operation of Jinfeng presents a risk. SRK is of the view that this risk can be properly managed by identifying areas most susceptible and implementing appropriate procedures and/or engineering works. Proper management of storm water at Jinfeng will also be important.

— ***Geological Considerations***

The geology of the Jinfeng deposit is highly folded and faulted. The main fault orientations in the Lannigou area are northwest-southeast, northeast-southwest and north-south. Dips are generally steep (65 to 85 degrees (°)) to the North-East but the F^3 structure is folded, overturned and dips steeply to the south-west in its upper portions.

— ***Rock Mass***

By consideration of the available information an *estimate* of the rock mass quality value (Q) has been made. From this it is considered that the Foot Wall (FW) rocks as a whole are likely to be more competent and require less support than the Hanging Wall (HW). Geotechnical assessment indicates that the Modified Stability Number (N') range across the Jinfeng deposit is generally from 1 to 3. These values suggest that very limited unsupported spans will be possible during stoping operations.

— ***Seismicity***

The Guizhou Metallurgical Design and Research Institute (2005) states that the Jinfeng site falls within the "6° Seismic Zone" and in accordance with the Seismicity Code the site is categorised as "Class 1". As such, their design allows for earthquake induced accelerations of 0.05 gravity (g). Golder Associates (Golder) (2003) comment that the "earthquake activity recorded in the area is low and infrequent, although it does occur". Golder adopted an acceleration of 0.1g for the purpose of the analysis for open-pit design which SRK accepts as appropriate for the area.

— ***Groundwater***

The 117 Team of Guizhou Metallurgical Design and Research Institute (MGMR) has made an assessment of groundwater conditions at Jinfeng. Golder (2003) based their mine design recommendations on the observations and interpretations made by MGMR.

Groundwater conditions (pore pressures and potential for inflows) at the Jinfeng site are currently, in SRK's opinion, poorly understood. As a majority part of the Jinfeng deposit lies above the water level in the nearby river, it is judged by SRK that the risks to the overall project as a result are low. This opinion is based on the observations that have been documented with regard to groundwater inflow in existing abandoned underground workings. Further hydro-geological investigation is considered by SRK to be required to properly evaluate the impact of groundwater and likely dewatering requirements in the mining operations.

— ***Open-pit***

SRK notes that, on the whole, the designed pit shell is consistent with the design consultant geotechnical design recommendations. The open-pit design has been prepared with the input from reputable and experienced specialist geotechnical consultants. From discussions with Sino site personnel, SRK understands that Sino anticipates further and ongoing specialist input, and that this item has been allowed for in the budget.

— ***Underground Mine***

At the time of the SRK site visit, underground mining operations were not yet in progress. However it is understood that development of the underground mine is scheduled to commence in November 2006 with the start of the main decline construction. Sino has designed the underground mining operation taking into account the geotechnical recommendations provided by Golder (2003) and other specialist consultants.

On the basis of available information SRK judges that the design standard used for underground support is within the expected range for the anticipated conditions. There is also scope to modify the support to suit ground conditions.

Sino has selected the mining method taking the Golder (2003) geotechnical assessment into account. Two forms of Cut and Fill (CAF) mining methods have been selected. These are:

- Overhand CAF for a majority of the underground, and
- Underhand CAF for stopes within the crown pillars for narrow ore bodies.

Standard stope dimensions for the overhand CAF, used for the design and cost estimate (Sino-NERIN, 2004), are up to 5 metres (m) high, 50m long and 5m wide.

SRK is of the opinion that the selected mining methods and designs are appropriate for the interpreted geotechnical conditions, and that there will be scope to modify them (which is normal practice) during the mining phase to take account of actual conditions.

— ***Access Roads***

The main access road to the site and plant has been constructed as a "Class 4" road by the Provincial Government. In order to form the main access road there has been a requirement to construct substantial cut and fill embankments. SRK is of the opinion that there will be a requirement to carry out substantial maintenance works over the life of the road to remediate slope failures.

SRK considers that the access road to the tailings storage facilities will require considerable maintenance over the life of the mine. There is also considerable risk of loss of the road and tailings discharge/water return pipelines. This risk will require careful management, and SRK considers it important to carry out a geotechnical hazard survey to properly identify potential areas of instability and the risks associated with the areas identified.

— ***Tailings Storage Facilities (TSF's)***

The maximum design embankment height for TFS's at Jinfeng is greater than 15m. According to the International Commission on Large Dams (ICOLD) classification, the Jinfeng TSF embankments are therefore considered to be large. The Jinfeng TSF's are considered to be a Category 1 structure as defined by the Western Australian Department of Industry and Resources.

NERIN, a design institute that is registered under Chinese Law, was commissioned to carry out the investigation, design and construction overview of the Jinfeng TSF's. Golder has been involved in the project since inception and has acted in a technical advisory role for all aspects of the site identification, investigation, design, construction and operation of the tailings facilities.

Under Chinese Law there is a requirement for quality control of construction projects. This law requires geotechnical investigation and design to be carried out by a licensed body. It also requires construction monitoring by an independent third party. The construction supervising agency at Jinfeng is Zhengye who is present at site on a 24 hour basis. At the time of the site visit SRK observed sample construction monitoring records. These included the results of compaction and insitu density tests.

From the information made available to SRK it is apparent that there is a high level of consultant interaction for the design of the TSF's at Jinfeng. The design has included input from reputable and experienced designers. Both design and construction are being carried out to meet the requirements of Chinese Law and International Practice, which are expected to minimise the risks associated with the construction and operation of TSF's.

— ***Water Retention Facilities***

Effective water run-off management is to be achieved by constructing a clean surface water diversion drain upstream of the flotation TSF, thereby allowing the TSF's to operate in accordance with its design.

The Carbon In Leach (CIL) TSF is to be protected from anticipated water level increases resulting from the planned Longtan Hydroelectric Dam by a flood levee that is designed for a 200 year average recurrence interval storm event.

— ***Waste Rock Disposal***

The mine design has provided for a single waste rock dump that will be located in Huangchangguo valley, within an existing creek bed. It is anticipated that the dump height will be approximately 160m above the creek bed, and the maximum length of the waste dump will be around 1400m. SRK do not anticipate any significant geotechnical issues with the waste dump and consider the waste dump design to be of low risk.

— ***Plant Area***

The plant area has been developed on a cut and fill platform. SRK do not anticipate any significant geotechnical issues associated with the plant infrastructure. At the time of the SRK site visit an embankment failure was observed at the plant site. SRK are of the opinion that this is a superficial failure that was caused by inadequate stormwater drainage. SGJML contend that the slip may partly be attributed to the presence of a fresh water spring behind the failed ground. SGJML proposes to install dewatering wells behind the slip to reduce the mobility of the area.

— *Office and Accommodation Area*

At the time of the SRK site visit the office/accommodation area was under construction. Geotechnical investigation and design has been done by MGMR (2005) who are a licensed design institute. Construction monitoring has been carried out, as required by the Chinese Regulations for Quality Control of Construction Projects, by the supervising group named Zhengye. SRK do not anticipate any significant geotechnical issues associated with the office/accommodation infrastructure.

Mining and Reserves

Sino completed a "Bankable" Feasibility Study (BFS) on the Jinfeng project in April 2004 and a mine Optimisation Study in August 2004, both of which included input from Australian mining consultants. Sino has more recently updated aspects of the mine design and optimisation and now proposes to commence the underground mine in parallel with the open-pit mine. The open-pit mine has started stripping of waste and exposed ore ready for mining and stockpiling at the crusher. The mining equipment fleet has been transported to site and re-assembled and is ready to commence feeding the processing plant.

Sino was granted a mining licence in May 2005 which allows Sino to mine up to 1.2 Million tonnes per annum (Mtpa) of ore at Jinfeng for 12 years until 2017.

An Ore Reserve estimate was released by Sino in April 2006. As the basis for this updated reserve estimate and for the purposes of mine planning, as well as a check on the 2006 Sino resource estimate, SRK Consulting were retained to estimate:

- a "recoverable resource" above 420m RL using the Uniform Conditioning method as a basis for estimating open-pit reserves; and

- a "recoverable resource" below 440m RL using the Conditional Simulation method as a basis for estimating underground reserves.

The open-pit reserves were calculated by SRK Consulting and the underground reserves were calculated by AMC Consultants and Dr John Chen. The Ore Reserves statement for both the open-pit mine and for the underground mine as at April 2006 and using a gold price of US$425/oz is shown in the table below.

Open-pit Ore Reserves as at April 2006

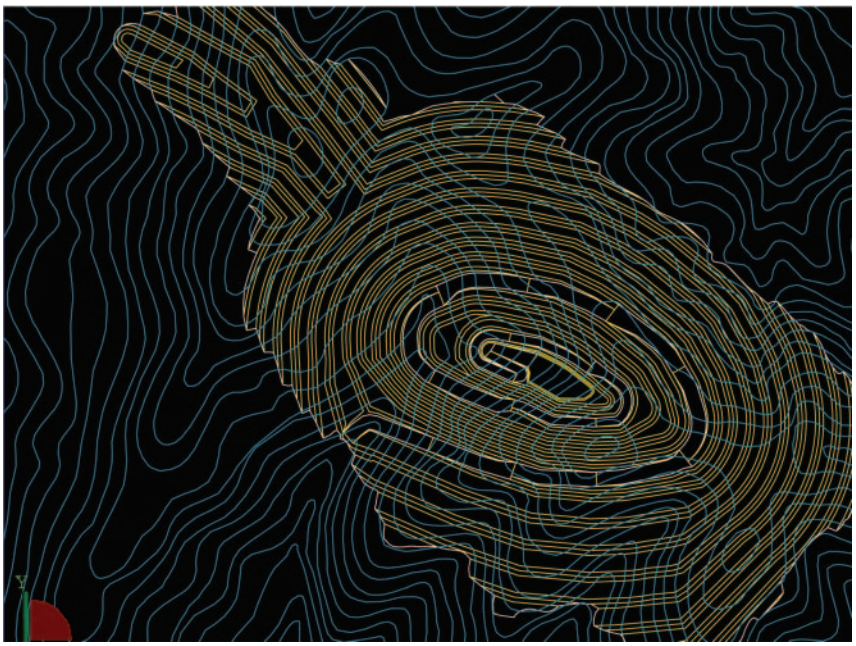
Mine Type and Category	Tonnes '000	Grade g/t Au	Gold Ounces '000
Open-pit Mine			
Proved	5,352	5.7	986
Probable	377	4.2	51
Sub-total Open-pit Ore Reserves	5,729	5.6	1,037
Underground Mine			
Proved	5,698	5.5	1,005
Probable	4,954	5.2	821
Sub-total Underground Ore Reserves	10,652	5.3	1,826
Sub-total Proved Ore Reserves	11,050	5.6	1,991
Sub-total Probable Ore Reserves	5,331	5.1	872
Total Ore Reserves	**16,381**	**5.4**	**2,863**

- Reported in accordance with the 2004 edition of the JORC Code using a cut-off grade of 1.9 g/t Au for the open-pit and 2.7 g/t Au and 2.9 g/t Au for the underground mine.
- The open-pit ore reserve includes 5% dilution at a diluting grade of 0.5 g/t Au. The underground mines assumes ore loss of 9.7% and dilution of 10.7%
- Ore Reserves are included in the Mineral Resource estimate
- Mr Sjoerd Duim takes responsibility for the information relating to the open-pit Ore Reserve estimate. He is Principal Mining Consultant (Open-pit Mining) and full-time employee of SRK Consulting and a Member of The Australasian Institute of Mining and Metallurgy. Mr Duim is an independent consultant under Listing Rule 18.04
- The information relating to the underground Ore Reserve estimate is based on information compiled by Dr John Chen. Dr John Chen is a full-time employee of Sino Gold Limited and a Member of The Australasian Institute of Mining and Metallurgy. SRK has, as part of its review carried out in preparing this Independent Technical Expert's Report completed an independent review of the basis for Dr John Chen's findings in relation to the underground Ore Reserve estimate, and has satisfied itself that, having regard to JORC Code requirements, reasonable parameters have been applied concerning the calculation of the underground Ore Reserve.
- AMC is an independent consultant under Listing Rule 18.04

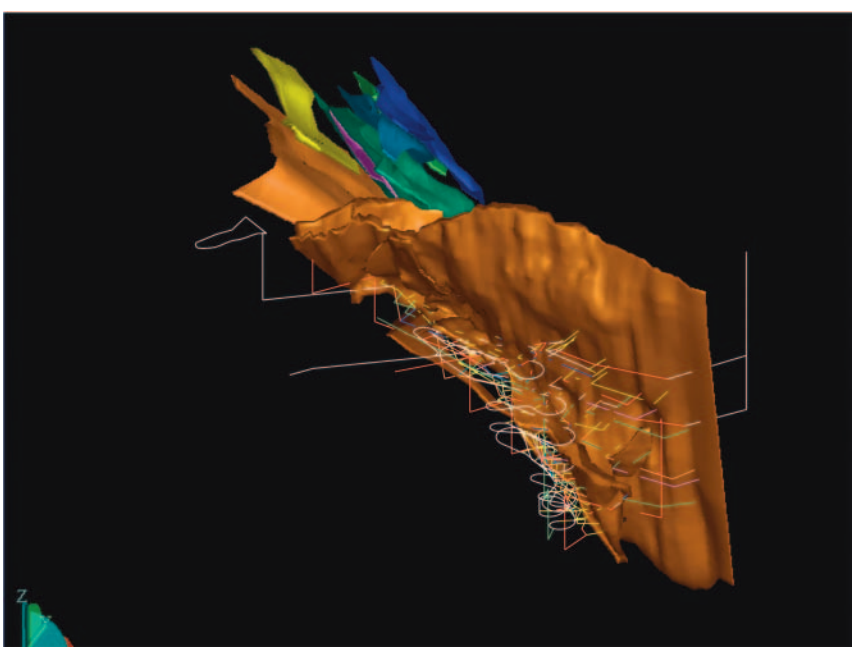
Sino propose to use standard truck and shovel mining methods in the open-pit mine and the CAF method in the underground mine. For the open-pit mine, Sino propose to mine on 5m benches for ore and 10m benches for bulk waste. In areas of narrow ore zones Sino will be able to selectively mine ore on 2.5m benches. In the underground mine, Sino propose to use narrow mining equipment in areas of orebody width as low as 2m. Sino also propose to trial the Sub-Level Open Stoping (SLOS) method in areas where the orebody has sufficient width and rock strength.

Design parameters for the Jinfeng open-pit and underground mines were developed between Sino, independent consultants based in Australia and NERIN, a Chinese design institute. In 2004 Sino commission mining consultants from SRK's Perth office to complete optimisation calculations for the Jinfeng deposit. The consultants used Whittle 4D software to optimise the open-pit design and its position in relation to the underground mine design.

Sino used the Surpac mine design software package to complete the detailed design of both the open-pit and underground mines at Jinfeng. The resulting pit design and underground mine design are shown in the following figures.



Plan View of the Jinfeng Open-pit Mine Design



Isometric View of the Underground Mine FW Access to the Jinfeng Deposit

Sino completed a number of studies to define the type of mining equipment that was needed to achieve the mining schedules. Equipment types, sizes, fleet numbers and production capacity were defined. For the open-pit mine, Sino was then able to indicate to the mining contractor the type and number of the equipment required. The mining contractor has purchased new equipment to fulfil the current mining schedule and proposes to add to the equipment fleet as the mining schedule requires additional production.

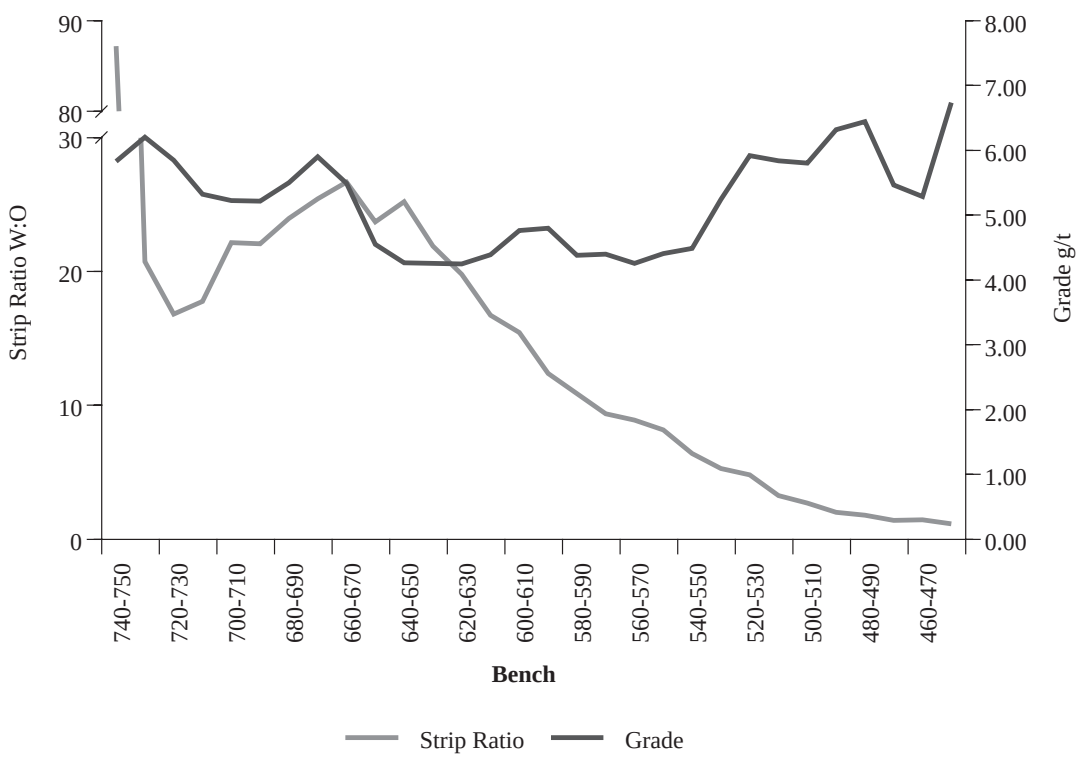
The drilling contractor, Guizhou Construction Company, will drill 115 millimetre (mm) diameter holes in ore on 5m benches and 165mm diameter holes in waste on 10m benches.

Sino has estimated that they will need 346 mine personnel to operate both the open-pit and the underground mine and propose to use two 12 hour shifts per day. This personnel number excludes the open-pit mining contractor. SRK accepts that the workforce numbers proposed should provide sufficient personnel for the equipment size and production rates planned. SRK also accepts that the manpower and productivity estimates are based on reasonable assumptions and calculated using standard industry methods.

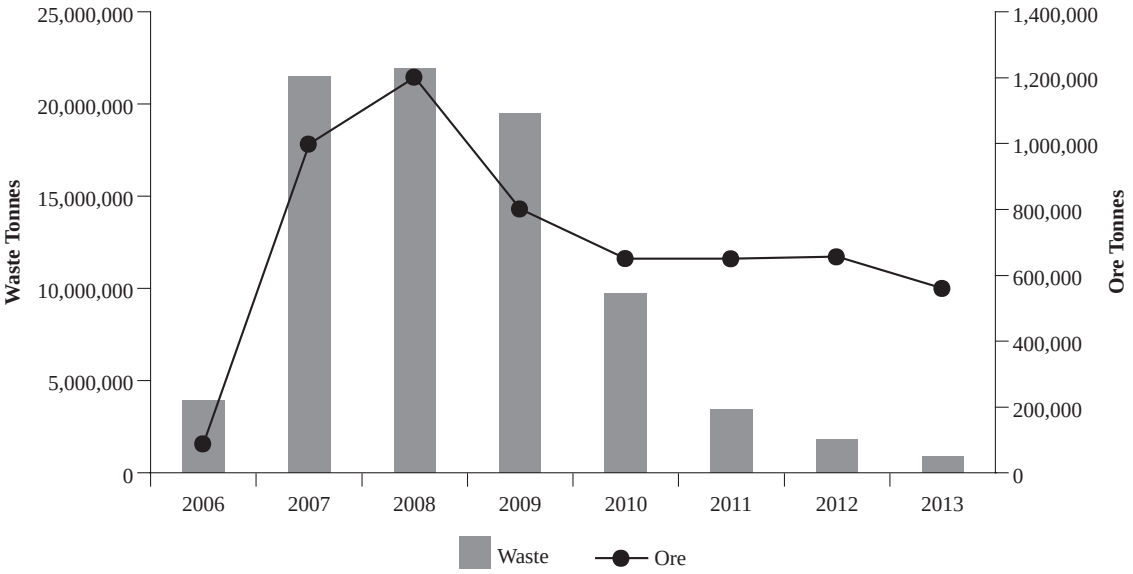
SRK reviewed the methodology used by Sino to calculate cut-off grade, ore recovery and dilution and accepts the methods used and the resulting factors as reasonable. The cut-off grade used a gold price of US$425/oz and a metallurgical recovery of 87.5%, both of which SRK believes are conservative.

Sino has studied the location of gold grade in the Jinfeng deposit and its relationship with strip ratio and depth below surface as shown in the figure below. From this information, Sino has been able to schedule mining phases to maximise gold production while still stripping waste to allow later years to produce gold in the most efficient sequence.

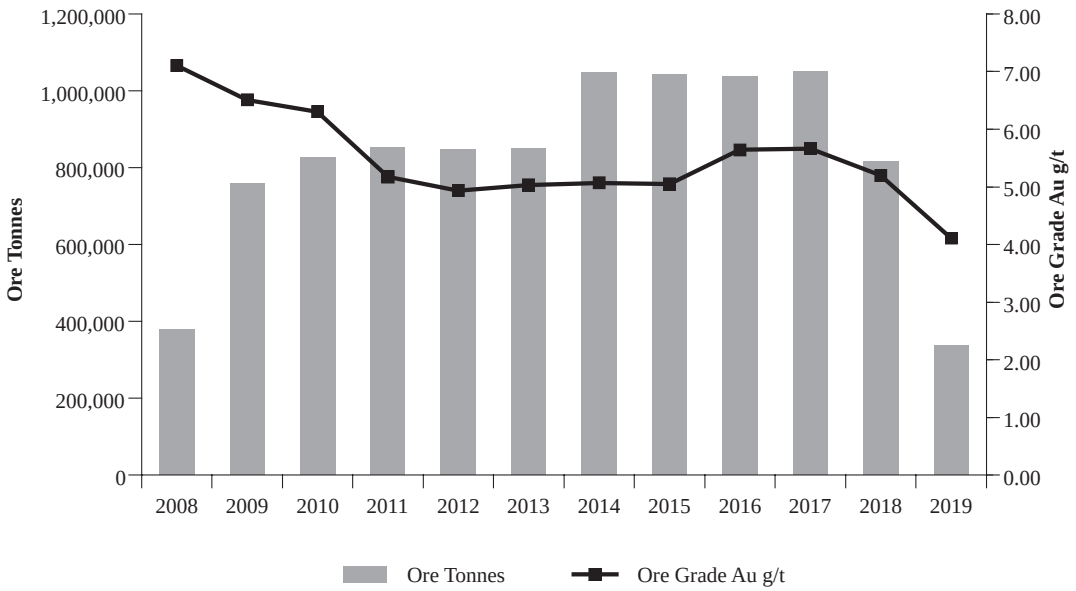
Grade and Strip Ratio vs Depth



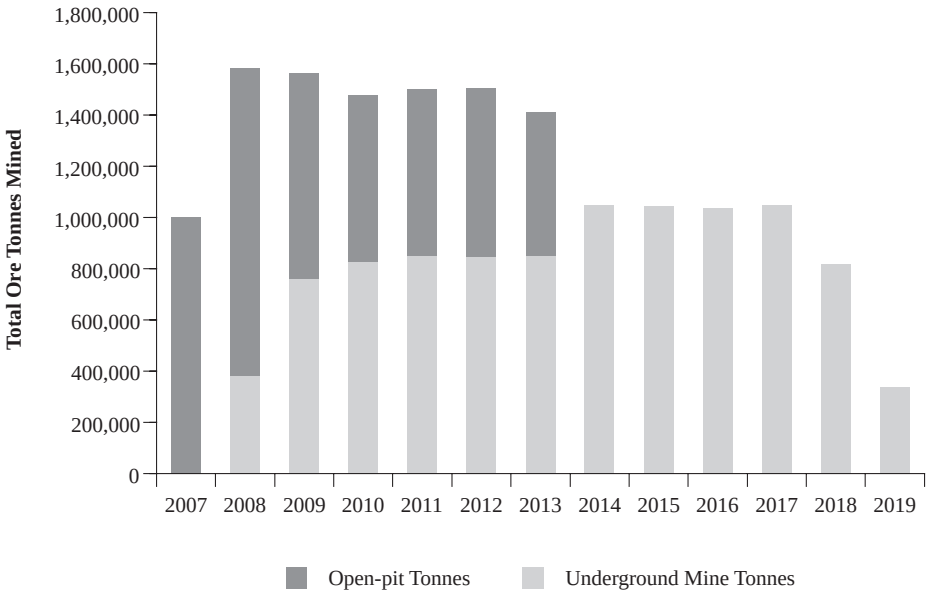
The open-pit mining schedule was re-calculated in June 2006. The waste and ore mining schedule proposed at that time is shown in the following figure.



The underground mine production schedule is shown in the following figure.



The production schedule in the optimisation study from 2005 assumed a total production of 1.2Mtpa. Sino has reviewed the possibility of the processing plant handling a throughput of 1.5Mtpa and reviewed the mining schedules. In this higher production case the combined production from both the open-pit mine and the underground mine may be approximately 1.5Mtpa for the years 2008 to 2012, if the schedule proposed by Sino is able to be achieved, as shown in Figure 6-10.



Based on the Proved and Probable Ore Reserves only, which total 16.4Mt of ore as shown above, and a mining and processing rate of 1.2Mtpa of ore, the indicative mine life for the combined open-pit and underground mine is 13.7 years. If the 1.5Mtpa production rate can be achieved for the years 2008 to 2012 as shown above the combined life of the mine is indicated at 11 years.

— ***Underground Mine Ventilation***

The Jinfeng underground mine will be ventilated using electric exhaust fans which will draw fresh air into the mine via fresh air intake adits and shafts. The Fresh Air Shaft system will be located in the FW of the orebodies and in close proximity to the FW. Fresh air connection between the FW drive and the shaft are planned for each of the main production levels. The ventilation standards applied by Sino are the higher of the Australian or Chinese standards or recommendations by Mine Ventilation Australia.

Metallurgical and Processing Plant

For the past 20 years the refractory gold resource at Jinfeng has been tested in laboratories in China, Australia, South Africa and the United States of America (USA). These tests have identified the ultra fine nature of the gold mineralisation within fine sulphides, mainly pyrite and arsenopyrite with minor occurrences in quartz, clays, carbonates and carbonaceous material. There are many similarities to the Carlin Trend deposits in Nevada.

The sulphide level in the Jinfeng Reserve is low at between 1.5% and 2.5% sulphur. The minerals stibnite, realgar, orpiment and cinnabar are present but there is a lack of base metal sulphides which has precluded the use of concentrate or whole ore roasting techniques as an economic treatment route before conventional cyanidation for gold recovery.

The process plant design under construction is based on a metallurgical flowsheet designed to optimise gold recovery and minimise cost of production. The unit operations comprising the flowsheet are all well proven and have been used in the proposed configuration in other successful operations. The route chosen includes primary crushing, semi-autogeneous grinding (SAG), ball milling, bulk flotation, thickening, biological leaching, and neutralisation, Carbon-in-Leach (CIL) gold dissolution, the Anglo American Research Laboratory (AARL) elution process and tailings detoxification.

Tailings from Flotation and Leaching will be impounded in separate storage facilities to avoid biocides returning to the process water circuit.

Wherever possible, equipment has been sourced within China, usually for cost reasons. However, all such equipment has a working track record and no equipment is the first of its type and or size.

The process design criteria for the various sections of the plant have been based on extensive testwork with piloting of the process being completed where necessary. The proposed comminution circuits of the Jinfeng ore have been based on data from test samples drawn from channel sampling.

The onsite assay laboratory will be built and operated to world standard and the onsite metallurgical laboratory will be fully equipped for routine metallurgical tests including flotation. The planned sampling regime is to world standard and facilitates full metallurgical accounting of ore treated.

The process design criteria for the various sections of the plant have been based on extensive testwork with piloting of the process being completed where necessary. The proposed comminution circuits of the Jinfeng ore have been based on data from test samples drawn from channel sampling.

The primary jaw crusher, SAG mill, primary and secondary ball mill, and lime slaking mill selected are Chinese in origin with a successful track record.

The flotation circuit and reagent suite has been developed through the work of several laboratories world wide. The circuit has been piloted to prepare concentrate for biological leaching testing. A factor of 200% has been applied to the laboratory residence times in line with normal practice. Flotation equipment chosen is Chinese and has been successfully employed in other successful plants.

The leaching circuit design including biological leaching, counter current decantation (CCD) circuit and neutralisation criteria have been developed from laboratory and pilot testing through the Gold Fields/ Gencor/Lakefield BIOX® continuous pilot plant. Engineering design data has been provided by Goldfields based on their experience in design of similar plants worldwide.

The CIL and Gold room process design is of typical Australian design with the addition of mercury recovery. Tailings detoxification and liquor neutralization is by well proven and utilized processes.

The plant will use a range of sensors and programmable logic controllers to provide a manageable level of plant automation. The sensors proposed are reliable and well proven. The number of operator interface terminals is typical of this type of plant.

— ***Processing Plant Throughput and Metal Recovery***

The design throughput of the Jinfeng plant is 1.2Mtpa ore. This will be achieved using the crushing plant for 3,285 hours per annum, the milling circuit for 8,000 hours per annum at 91.3% availability and the BIOX®, CCD, liquor neutralisation, CIL and detoxification circuits for 8,320 hours per annum at an availability of 95%.

The bioleaching section has the capacity to oxidise 74 tonne (t) of sulphur per day with the expected mean daily sulphur intake being 65.8t which equates to a daily throughput of 790t of concentrate at a grade of 8.32% sulphur.

The designed plant recoveries are as follows:

•	Flotation	Sulphur recovery	95% into concentrate
•	CIL	Gold recovery	93.1% from concentrate
•	CIL	Silver recovery	80.0% from concentrate

— ***Possible Expansion of Plant Throughput***

During the design phase and optimization study the engineer gave thought to the possibility of increasing the plant throughput by 50%. The majority of the Jinfeng process plant has been designed for a possible expansion in throughput. However utilities such as power, electrical services, air systems and water cooling will have to be expanded to facilitate plant expansion.

— ***Construction Status***

At the time of SRK's site visit in October 2006, it was forecast by Sino that ore processing could commence in the first quarter of 2007 and that the full plant would be operational by March 2007.

Major Contracts

— ***BIOX®***

Sino entered into an agreement with Minsaco BIOX® Pty Limited (Minsaco) to provide to Sino a licence to use the BIOX® process in the Jinfeng processing plant, a process design package, consulting services, design certification, inoculum, ongoing and updated information, improvements and developments on the BIOX® Process and plant commissioning and training.

The agreement with Minsaco provides a "guaranteed" minimum percentage pyritic sulphur removal from Jinfeng Material of 94% from "Concentrate of Feedstock Quality". Gold Fields Limited has provided Sino with a letter of support in relation to the Jinfeng BIOX® agreement, in which Gold Fields commits to provide Minsaco with sufficient technical and human resources support "to ensure that Minsaco performs its obligations and meets its liabilities under the licence agreement".

— ***Mining Contract***

Sino has entered into a contract with China Railway 19 Bureau Group Corporation for the open-pit mining at Jinfeng. The contractor has taken delivery of a fleet of new Komatsu equipment, including three PC1250 Excavators, twenty HD605 65t Dump Trucks, two dozers, two water trucks, a grader and other auxiliary equipment.

— ***Electrical Power and Water***

Sino has agreed a Combined Infrastructure Deal which was negotiated with the County. For electrical power supply, the 110kV line connected to the Provincial electrical grid has been extended 42km from Zhenfeng. Water requirements are estimated at 7,200 cubic metres (m^3) per day which will be sourced from the Luofan River and pumped to the process plant via a 3km pipeline.

Workforce and Management

Sino has a quite flat organisational structure. The General Manager has ten department managers reporting to him, with each department responsible for a defined component of the site functions.

The forecast workforce at Jinfeng throughout 2007 is shown in the following table.

2007 Forecast Workforce Numbers

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
SUMMARY (JF EMPLOYEE ONLY)												
GM	7	7	7	7	7	7	7	7	7	7	7	7
SUPPLY	36	36	40	42	43	43	43	43	43	43	43	43
CATERING	3	3	3	3	3	3	4	4	4	4	4	4
SAFELY	13	13	13	13	13	13	13	13	13	13	13	13
CLINIC												
C/RELATION — SITE	10	10	11	11	11	11	11	11	11	11	11	11
TRAINING	23	23	23	22	22	22	22	22	22	22	22	22
FINANCE	11	11	11	12	13	13	13	13	13	13	13	13
H/RESOURCE	6	6	6	6	6	6	6	6	6	6	6	6
H/RELATION — GUIYANG	7	7	7	7	7	7	7	7	7	7	7	7
EVIRONMENT	13	13	13	13	13	13	13	13	13	13	13	13
SECURITY	3	3	3	3	3	3	3	3	3	3	3	3
MINING	37	37	39	39	39	40	40	40	40	40	40	40
MINE GEOLOGY	42	43	43	43	43	43	43	43	43	43	43	43
PROCESSING	87	101	101	101	101	101	101	101	101	101	101	101
ENGINEERING	91	101	118	114	118	123	131	139	141	151	153	153
TOTAL	389	414	438	436	442	448	457	465	467	477	479	479

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
EXPAT/NATIONAL												
EXPAT	11	11	11	10	10	10	10	10	10	10	10	10
NATIONAL	378	403	427	426	432	438	447	455	457	467	469	469
TOTAL	389	414	438	436	442	448	457	465	467	477	479	479

Sino has a target that 50% of the employees will be drawn from the local area and proposes to give preference to workers from Guizhou Province.

Safety

Sino has established a strong safety culture on site during the exploration and construction period. The following table shows a very low number of lost time injuries and a low Lost Time Injury Frequency Rate. The Medical Treated Injury Frequency Rate and the Significant Incident Frequency Rate are also both quite low considering the number of manhours worked. It is commendable that both the Sino employees and those of the construction contractor are demonstrating a strong safety performance.

Jinfeng Safety Performance Statistics

	Total Project	EPCM Project
Manhours Worked	3,923,865	1,652,697
Lost Time Injuries	4	1
Lost Time Injury Frequency Rate	1.0	0.6
Medical Treated Injury Frequency Rate	5.9	N/A.
Significant Incident Frequency Rate	4.9	N/A.

Operating Costs

Sino's forecast of average Life of Mine (LOM) operating costs, based on average gold production, is approximately US$220/oz of gold produced. Variations can be expected during shorter time periods, as both operating costs and gold production may vary during that period.

Capital Costs

In August 2005 Sino issued a forecast capital cost of US$70 million (M) for the Jinfeng project to achieve first gold production. Due to changes in equipment and a delay in completion of the construction phase, Sino forecast in October 2006 that the capital costs was expected to be in the range of US$90 to US$95M.

The pre-production capital cost of the Jinfeng underground mine has been forecast by Sino at $20M to achieve the first underground ore production by the first quarter of 2008. Sino has estimated the total capital costs for the underground mine, as shown in the following table.

Capital Items	US$M
Decline and portal	3.7
Horizontal development	0.9
Shafts	3.8
UG communication & substations	2.3
Mine services	0.3
Mobile equipment	13.7
Ventilation	1.0
Mine main substation	0.3
Backfill plant & UG fill pipelines	1.9
Capitalized UG Mining Admin	1.9
UG EPCM	0.7
UG contingency	2.8
Purchase of JCL equipment	0.9
Total Underground Mine Capital	**34.1**

As described in the Environmental section of this report, SRK has identified that a capital costs in the range of US$18 to US$20M may be required for ongoing rehabilitation and eventual closure of the site.

Infrastructure

The Jinfeng mine is connected to the Provincial road system by 12km of sealed access road. The road to Jinfeng reverts to 72km of unsealed road through the mountainous region before connecting to sealed roads and highways. The County has recently agreed to seal the remaining 72km section of the access road.

Sino has constructed housing units for managers and senior staff and terrace units for the bulk of the workforce. Sino's aim is for 50% of the workforce to be locals who commute daily by bus from their village or town. The new accommodation and kitchen facilities are expected to relieve the accommodation shortage during the fourth quarter of 2006.

The 110kV line connected to the Provincial electrical grid has been extended 42km from Zhenfeng. The forecast demand from the Jinfeng site is approximately 22 Megawatts (MW). A backup 3 MW diesel set is on site to provide power if the grid connection is interrupted.

Water requirements are estimated at 7,200m^3/day which will be sourced from the Luofan River and pumped to the process plant via a 3km pipeline.

Environmental

Sino has committed to meet or exceed Health Safety and Environment performance standards as required by:

- Chinese legislation and standards
- International standards and codes of the mining industry and as indicated by applicable policies and guidelines of the International Finance Corporation (IFC)
- Sino Gold Limited Corporate Policies

To ensure that IFC requirements will be met, an independent third party review of the Sino project proposal and Environmental and Social Impact Assessment (ESIA) was commissioned (Golder, 2006). The ESIA provides a description of the proposed project and identifies potential social and environmental impacts.

A number of issues were identified in the initial third party assessment and as a result Sino agreed to a number of additional commitments to improve the environmental management and monitoring of the project. Sino also agreed to completing biannual audits of compliance, health, safety and environment management system and that these audits would be completed by an appropriately qualified independent auditor.

In general, as indicated by the third party reviewers, Sino has satisfactorily addressed all the issues identified to meet the IFC requirements. It is noted however that a soil balance has not yet been prepared for the project. Nonetheless Sino has demonstrated a commitment to protecting the environment and submitted to implementing environmental management and monitoring strategies that are expected to achieve the goals and standards to which Sino subscribes.

SRK viewed the necessary construction certificates for all areas of the site which are in order. Operating and environmental permits will be issued once the plant has been operational for three months and the project has been shown to be operating within the predicted impacts presented in the EIA.

It is also our understanding that Sino has committed to meeting Chinese National Class III receiving water standards. Standard concentration limits for sulphate, nitrate, iron, thallium and manganese in Drinking Water Quality Standard at Concentrative Surface Water Source (GB3838-2002) are used. Fecal coliform, total dissolved solid (TDS) and total hardness concentration limits set in Sanitary Standard for Drinking Water (GB5749-85) are used.

Based on the available dilution within the Luofan River it is expected that should the discharge standards be met, that the receiving water quality objectives will likely be achieved. Chinese air quality standards (GB3095-1996 class 2 and TJ36-79 residential region for arsenic) are to be applied to the site. It is anticipated these are likely to be met based on the proposed mitigative measures.

SRK identified a number of issues as follows:

CIL Tailings Facility Water Management: It is likely that continuous treatment will be required rather than intermittent, and the proposed frequency of discharge may not be possible. Furthermore, it will be necessary to revise the proposed monitoring frequency to correspond to actual performance of the treatment system and discharge strategy. It is likely that an operational balance will need to be developed to maximise pond volume to limit oxidation of the tailings. It is noted that Sino has operated its cyanide destruction plant at its other gold mine at Jianchaling to consistently achieve discharge objectives for cyanide at that mine.

Waste Rock Characterization, Metal Leachability and Water Management Strategy: The current waste rock management plan relies solely on segregation based on sulphur content to identify the potential for net acid generation. However no consideration appears to be given to metal leachability. Experience elsewhere has shown that typical infiltration rates for uncovered waste rock dumps range from about 40 to 50% of the annual rainfall. The seepage rate assumed by Sino of $20m^3$/day therefore has been underestimated and the net loadings of metals, in particular for arsenic may as a result have been underestimated by a significant margin.

Co-disposal of Process Treatment Solids with Flotation Tailings: The precipitates that will be generated by lime treatment are generally produced under oxidizing conditions. Once co-deposited with the flotation tailings, the treatment solids will be inundated within the pore space of the flotation tailings and oxygen will be excluded and the oxidation-reduction potential will change. This may lead to the re-dissolution of some metals as meta-stable phases reform and it is anticipated that arsenic and iron concentrations in the pore water will increase. This may result on impacts on the groundwater regime, and seepage in the longer term may impact surface water quality.

Soil Balance: The rehabilitation and closure strategy for the Jinfeng project remains conceptual in nature only. An inventory and management strategy for the pre-stripping and storage of the soils will be critical to the success of the proposed conceptual strategy and to achieve the land-use objectives after closure. While Sino has at this stage not negotiated the acquisition of the any land required for topsoil borrow. It is anticipated that Sino should have access to the land that will be acquired compulsorily during the dam fill stage of the Longtan hydroelectric scheme.

CIL Tailings Cover: A conceptual cover has been proposed for the CIL tailings area after closure of the mine. It is noted that the CIL tailings will likely have a residual sulphide content of 0.5 % or more and may be net acid generating. Therefore, if the CIL tailings were allowed to oxidize, the tailings could acidify and the acidification of accumulated treatment solids could cause metals to leach from the CIL tailings. In our experience the proposed conceptual cover may not sufficiently reduce acid generation and an improved cover system will be required, however this issue can be addressed by engineering a suitable cover that would limit oxidation and percolation rates.

Waste Rock Dump Cover and Voids Strategy: No details of the proposed cover systems and water management strategies for the waste rock dump have been provided, there may be a significant risk that the current allowances for rehabilitation and closure of the waste rock dump may have been underestimated. No details have been provided on the proposed closure strategies for the open-pit and the underground workings.

Closure Cost Estimate: While closure planning remains conceptual, Sino has indicated that an initial Closure Plan will be prepared during 2007 which will include commitments to return rehabilitated land at the waste dump to the local villages for distribution for agricultural or other uses as soon as practical. Sino has indicated that notional rehabilitation allowances are currently being provided for at the rate of US$60,000 per month, with an estimated life of mine expenditure of about US$8.5 million. In our estimate there is a high risk that the allowance for rehabilitation and closure has been underestimated. The total rehabilitation and closure costs may amount to between US$18M and US$20M.

EXPLORATION ASSETS

Sino has exploration interest in three broad mineral provinces, all of which are known centres of historic production or areas where there is potential for a significant gold deposit, under Sino's China Business Development.

Exploration is undertaken by Business Units in each mineral province under Sino's China Business Development (CBD) department, based on Beijing. Suitable acquisition targets are also monitored and sought throughout China by the CBD.

The three main mineral province Business Units are:

- **Northern China** — includes White Mountain, an advanced gold deposit located in Jilin Province, Sanjianfang, and Beishan (North Mountain)
- **Shandong** — includes Ludi JV, Zhengyuan JV, and Hexi JV
- **Golden Triangle** — covering Guizhou and Guangxi Provinces, around the Jinfeng gold mine and including the Jinluo, Jindu, Guangxi, and Greatlands JV's.

On 22 November 2006, Sino announced a new strategic alliance for exploration in China which will be jointly funded and include Gold Fields Chinese joint venture exploration licences and Sino joint venture exploration licences, excluding the Sino joint venture exploration licences around the Laizhishan Dome area near Jinfeng and the White Mountain project. The strategy is to explore for porphyry, high-sulphidation epithermal and sedimentary-hosted disseminated orogenic style gold mineralisation. These are not currently the focus of Sino's exploration program in China. The strategy will be to discover a deposit that has at least a 5 million ounces Resource and has the capacity to be mined with an annual gold production of approximately 500,000 ounces. This strategy differs in style of mineralisation and target size from the former Sino strategy on which the existing joint venture projects are based.

During this review, exploration areas near the Jinfeng project were visited by SRK, with priority given to the exploration areas that are the focus of current programs. In addition, the White Mountain project has been reviewed based on recent visits to the site in August 2006 as part of a review of the geological controls on mineralisation at that deposit. Other project areas are either currently in the very early stages of exploration or there is no information at the site to review due to lack of exposure or the onset of winter in the north of China.

Golden Triangle Business Unit

The Golden Triangle Business Unit was formed to explore the Golden Triangle gold district, including the area around the Jinfeng project. The Business Unit is responsible for identifying new targets and extensions to the Jinfeng project which may be within transport distance of the process plant under construction. The Business Unit is currently undertaking exploration on five JV tenement groups:

- Jinfeng (JF42) comprises the three Exploration Licences (EL's) that cover 42 square km (km^2) of ground around the Jinfeng Mining Lease and project. JF42 is held by the Jinfeng Project (82% Sino). Exploration is for Carlin-style gold deposits similar to those at Jinfeng but outside the Mining Lease. A number of targets have been identified and tested by surface and drill holes without discovery of a Resource. The exploration program is ongoing and is expected to test deeper targets in 2007. The Jinfeng deposit has provided robust geological models which are being used to assist in identifying the most prospective deep targets to pursue.

- Jinluo Joint Venture (1 El, covering 97km^2). Sino currently earning 65% and may earn up to 92.5% equity with further exploration. The exploration licence extends along the eastern edge of the Laizhishan Dome, immediately south-west of Jinfeng. There exists some potential to transport ore from the northern parts of the licence, although exploration to date in that area has been unable to identify a Resource. The focus currently is on the southern part of the licence where there are a number of prospects, associated with active surface gold workings which are currently being drill tested. Also during 2007, it is expected that the northern prospects will be re-visited in light of new exploration models and targets that have been identified in that area.

- Jindu Joint Venture (19 EL's covering 400km^2). Sino currently earning 75%. The tenements have been separated into three groups based on location and priority for exploration. Jindu I is the area of most interest as it covers areas of the north and north-west Laizhishan Dome. A regional stream sediment survey completed by the Joint Venture partners has identified a large anomaly at Pogao on the northern margin of the Dome. The area has a number of active surface gold workings, with the gold being associated with replacement style mineralisation similar to that at Jinfeng.

- Guangxi Joint Venture (14 EL's covering 200 km^2). Sino has the right to earn up to 85%. The Joint Venture started in September 2006 and so is in the very early stage of assessment. It is expected that mapping, surface geochemical sampling (rock chip, soil trenching, steam sediment sampling), ground electrical geophysics (IP) and drilling will take place in 2007.

- Greatlands Project Joint Venture (7 EL's covering 115 km^2). The joint Venture started in October 2006 and is in the early stages of assessment. The project is in north-west Guizhou Province, along strike from the Nibao gold deposit. Geological data had yet to be received from the Joint Venture parties or verified by Sino.

Northern China Business Unit

The Northern China Business Unit covers a large area and includes the advanced exploration project at White Mountain (Jilin Province) and at Sanjianfang (Heilongjiang Province) in north-east China. In addition, the Business Unit is responsible for exploration at the North Mountain Joint Venture in Xinjiang Province in north-western China.

- White Mountain (Sino 95%) is an advanced exploration project which is hosted by a regional, north-eastern trending fault breccia. In January 2007 Sino announced a JORC Mineral Resource of 7.7 million tonnes at 3.4g/t Au (containing 846,000 ounces of gold), based on surface trenching, one adit with two crosscuts and 50,555m of diamond core drilling. Pre-feasibility work is currently in progress including metallurgy and mineralogy, baseline environmental studies, hydrogeology, tailings design, geotechnical and structural geology and site and plant design.

- The Sanjianfang project started in August 2005 with Sino earning a 70% interest. The project is immediately south of the Dong'an epithermal gold deposit in northern Heilongjiang Province. Four epithermal veins are reportedly exposed in the southern part of the exploration licence, each of which is several hundred metres in strike. Induced polarisation (IP) resistivity and ground Transient Electro-Magnetic (TEM) surveys indicate the vein systems potentially extend under cover.

- The North Mountain Joint Venture started in September 2006. The Joint Venture includes four Mining Leases covering 19km^2 and three exploration licences covering 70km^2. Deep drilling to test IP targets was being done at the time of writing this report, Indications from the drilling are that mineralisation occurs in zones up to 3m wide and is associated with quartz-base metal veins with epidote, gypsum, pyrite, sphalerite and galena although no analyses were available for review.

Shandong Business Unit

In 2002 Gold Fields Limited entered a joint venture with Sino to explore for gold in Shandong Province. Shandong Province is a well known historic gold mining centre in China. Currently the province accounts for approximately one quarter of Chinese gold production and has been a centre of mining for more than 1,000 years. In June 2006, Gold Fields withdrew from the joint venture with Sino and Sino have continued to maintain the established joint ventures and establish new partnerships and joint ventures within the Province.

There are currently three joint ventures that Sino are involved with:

- Ludi Joint Venture (Sino 70%), which has been active since May 2005. The main prospect is Heishan, where a north-north-east striking fault dips steeply south-east and controls a number of mineralised FW and HW splays. Diamond core drilling continued at Heishan during 2006.

- Zhengyuan Joint Venture (Sino 80%), which has been active since July 2005. The Dazhuangzi fault-hosted gold deposit occurs immediately to the north of the Joint Venture licence. The main target near Sandi is covered by thin alluvial cover (up to 10m thick) and Cretaceous sedimentary rock (up to 30m thick). Ground magnetic and IP geophysical methods have been successful in identifying the major fault targets below the cover. It is expected that shallow drill testing of the bedrock for geochemical samples and deeper drilling of the fault targets will be undertaken in 2007.

- Hexi Joint Venture (Sino earning up to 70%) started in September 2006. The Joint Venture covers three exploration licences that are located on prospective north-east trending major faults which host other deposits in the district. Mapping, sampling and geophysical techniques have been undertaken by the joint venture partners and by the Joint venture Partners under a previous agreement with Berkeley Resources Limited. Sino plans to commence drilling on the Xinzhuang licence to test the FW side of the Jiaojia Fault. Possibly the targeting will be assisted by ground-

based geophysical techniques (IP and magnetic) in conjunction with shallow drilling designed to test bed rock geochemistry. Systematic exploration of the Suijia area has not been done. It is expected that the Joint Venture will drill test known prospects in 2007. Drill targets are expected to be based on surface mapping and sampling which has identified a number of alteration zones on north-east trending faults.

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DISCLAIMER

The opinions expressed in this report have been based on the information supplied to Steffen Robertson & Kirsten (Australasia) Pty Ltd, trading as SRK Consulting (SRK) by Sino Guizhou Jinfeng Mining Limited, Sino Gold Jilin BMZ Mining limited and Sino Gold Limited (collectively "Sino"). The opinions in this report are provided in response to a specific request from Sino to do so. SRK has exercised all due care in reviewing the supplied information. Whilst SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them.

1. INTRODUCTION AND SCOPE OF REPORT

Sino commissioned SRK to review the Jinfeng gold mine and a number of mineral assets located in China, which are owned by the Company. SRK was required to provide an Independent Expert Report (the "Report").

2. PROGRAM OBJECTIVES AND WORK PROGRAM

2.1 Program Objectives

The objectives of the program were to review the data available, participating in a site visit and to provide Sino with both verbal feedback and a written report.

2.2 Purpose of the Report

The purpose of the report was to provide potential shareholders and the Stock Exchange with an Independent Expert Report suitable for inclusion in documents that Sino plans to submit to the Stock Exchange in relation to a proposed listing of the shares of the company on the Stock Exchange.

2.3 Reporting Standard

This report has been prepared to the standard of and is considered by SRK to be, a Technical Assessment Report under the guidelines of the Valmin Code. The Valmin Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserve and is binding upon all Australasian Institute of Mining and Metallurgy (AusIMM) members.

This report is not a Valuation Report and does not express an opinion as to the value of mineral assets. Aspects reviewed in this report do include product prices, socio-political issues and environmental considerations, however SRK does not express an opinion regarding the specific value of the assets and tenements involved.

2.4 Work Program

The work program consisted of a review of data provided by the company, site inspections of the Jinfeng Project, including the open-pit mine the processing plant, exploration properties in the near-Project area (Jinlou Joint Venture and Jindu Joint Venture) and review of documents provided. After discussions with staff of the company, SRK analysed the data provided and prepared this report, which was provided to the company as a draft for review of factual content.

2.5 Project Team

The SRK project team, their title and responsibility within this report are shown in Table 2-1:

Table 2-1: SRK Consultants — Title and Responsibility

Consultant	Title and Responsibility
Dr Stuart Munroe	Geology, exploration and Resource estimates
Mike Warren	Mining, Reserves, costs, infrastructure, report compilation
Kevin Holley	Geotechnical and hydrology
Keith Leather	Metallurgy and processing
John Chapman	Environmental and Social

2.6 Statement of SRK Independence

Neither SRK nor any of the authors of this Report have any material present or contingent interest in the outcome of this report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of SRK.

SRK has previously completed independent reports for Sino regarding Resources and Reserves at the Jinfeng gold mine and geological consulting regarding the Jinchialing goldmine, which has since been sold by Sino and is not included in the assets to be listed on the Stock Exchange.

SRK's fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The payment of that professional fee is not contingent upon the outcome of the report.

2.7 Warranties

Sino has represented to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true. SRK has no reason to doubt this representation.

2.8 Consent

SRK consents to this Report being included in full in the Sino prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

2.9 SRK Experience

The SRK group employs over 600 professionals internationally and has 25 permanently staffed offices in eight countries on six continents. In Australia SRK has approximately 60 staff in four offices located at Perth, Sydney, Maitland and Brisbane. SRK China has an office in Beijing. SRK has considerable experience at providing Independent Expert Reports for companies who have listed on the stock exchanges in Australia, Britain, Canada, Hong Kong, South Africa and the USA. In China, SRK has provided Independent Expert Reports for the companies as shown in Table 2-2.

Table 2-2: Recent Reports by SRK for Chinese Companies

Company	Year	Nature of Transaction
Yanzhou Coal Limited (a company listed on the Stock Exchange of Hong Kong Limited)	2000	Sale of Jining III coal mine by parent company to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on the Stock Exchange of Hong Kong Limited and New York Stock Exchange
Fujian Zijin Gold Mining Company	2004	Listing on the Stock Exchange of Hong Kong Limited

Company	Year	Nature of Transaction
Lingbao Gold Limited	2005	Listing on the Stock Exchange of Hong Kong Limited
Yue Da Holdings Limited (a company listed on the Stock Exchange of Hong Kong Limited)	2006	Proposed acquisition of shareholding in mining projects in PRC
China Coal Energy Company Limited (China Coal)	2006	Listing on the Stock Exchange of Hong Kong Limited

2.10 Forward Looking Statements

Estimates of mineral resources, ore reserves and mine and processing plant production are inherently forward-looking statements, which being projections of future performance will necessarily differ from the actual performance. The errors in such projections result from the inherent uncertainties in the interpretation of geologic data, in variations in the execution of mining and processing plans, in the ability to meet construction and production schedules due to many factors including weather, availability of necessary equipment and supplies, fluctuating prices and changes in regulations.

The possible sources of error in the forward-looking statements are addressed in more detail in the appropriate sections of this report. Also provided in the report are comments on the risks inherent in the different areas of the mining and processing operations.

3. LOCATION AND BACKGROUND

3.1 Location

The Jinfeng Gold Mine is located in Guizhou Province, the People's Republic of China (PRC) as shown in Figure 3-1 and Figure 3-2.

Figure 3-1: Location Map — Jinfeng Gold Mine

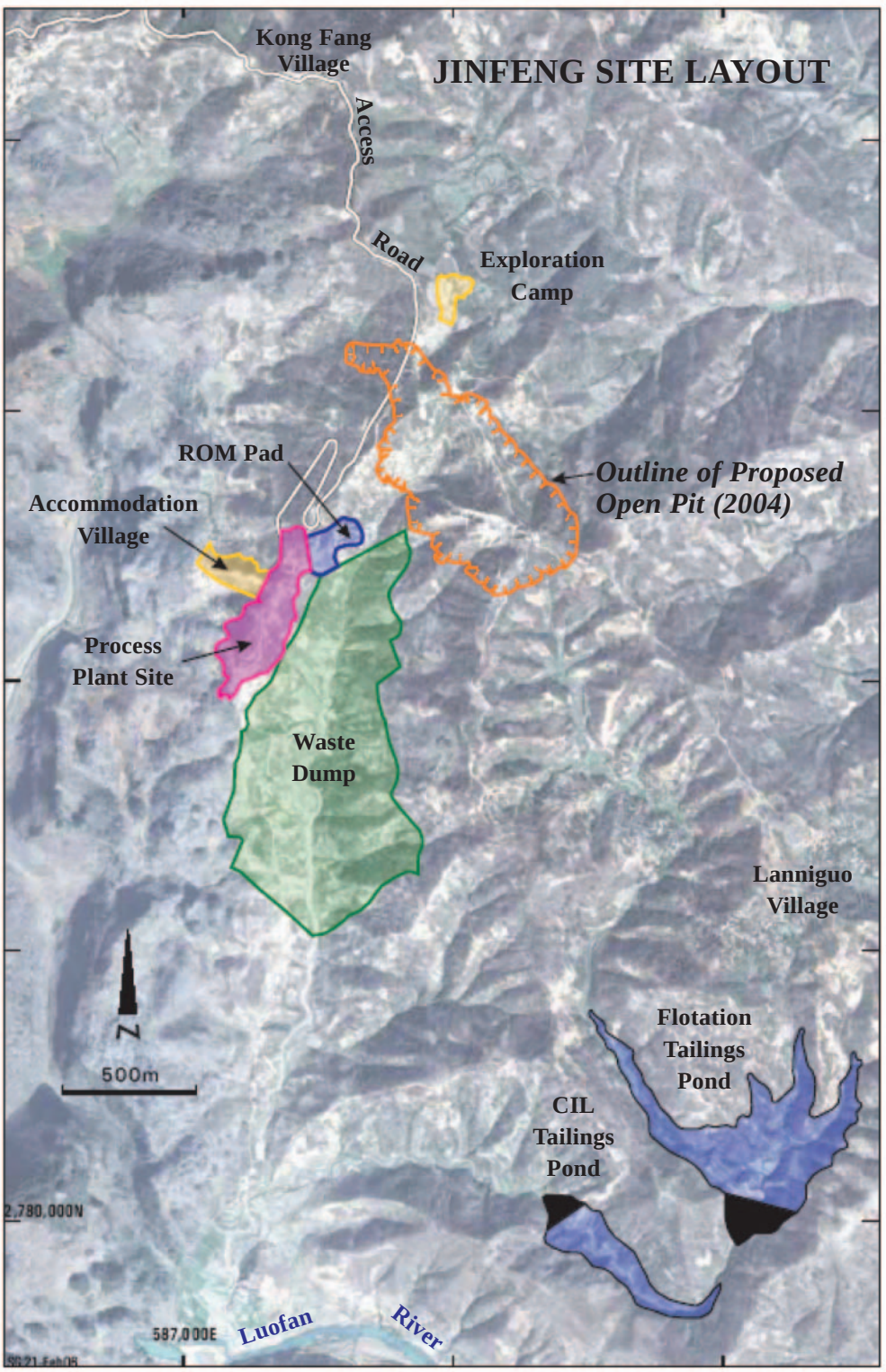

Figure 3-2: Plan of Jinfeng Project Site

3.2 Background and Ownership

The history of the Jinfeng project is shown in Table 3-1:

Table 3-1: Jinfeng Timeline from Discovery to Development

Dates	
1986	Discovery of the Jinfeng deposit
1990	Newmont and BHP assessed the Jinfeng deposit
2001	Sino won Guizhou Government tender
April 2004	Feasibility studies completed
June 2004	Development approval granted
February 2005	Development commenced
June 2006	Mining Licence granted

Sino Guizhou Jinfeng Mining Limited is 82% owned by Sino, with the remainder owned by Chinese companies as shown in Figure 3-3.

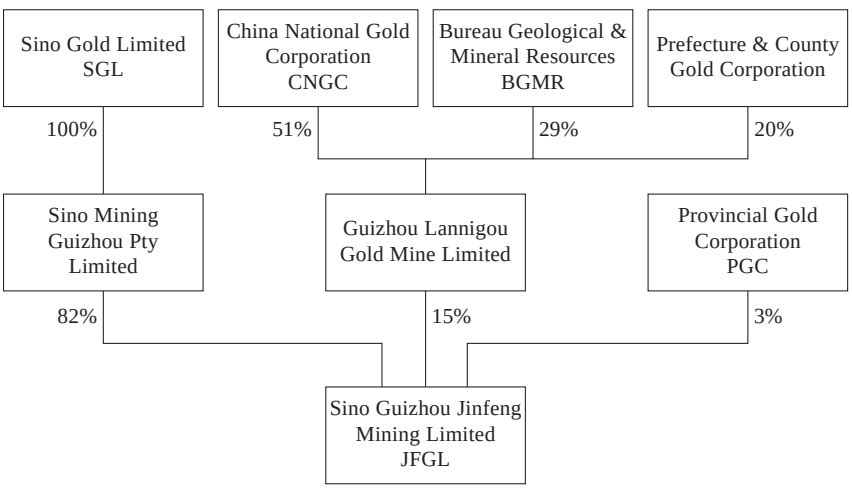

Figure 3-3: Ownership Chart for Sino Guizhou Jinfeng Mining Limited

4. GEOLOGICAL AND MINERAL INVENTORY ASSESSMENT

4.1 Regional Geology

The Jinfeng project is a Carlin-style gold deposit located at the north-eastern corner of the Laizhishan Dome within a district known as the Golden Triangle. Jinfeng is the largest known example of a Carlin-style gold deposit in the Golden Triangle area.

The Laizhishan Dome exposes Silurian to Late Triassic age sedimentary rocks that were originally deposited in the predominantly marine Youjian Basin and have subsequently been folded and uplifted to form a number of regional scale domes including the Laizhishan Dome (Figure 4-1).

The Basin occurs at the southwest margin of the Precambrian Yangtze Craton, the edge of which may have acted both as a site for the initial basin formation and as a buttress against which later folding (a result of crustal shortening during compression) was focussed. Within the Basin, most of the known gold occurrences occur within folded Triassic limestone, marl (silty limestone) and siltstone near an unconformity with underlying Permian limestone and dolomite.

Regional geological constraints indicate the Jinfeng area underwent a number of extension events during the Carboniferous and Permian, but then again in the Early Triassic and Middle Triassic ages. Each of these extension events created faults that accommodated the extension and facilitated formation of the Basin in which the sedimentary rocks formed. Three folding events (probably Late Triassic and Jurassic in age) have also been identified at Jinfeng.

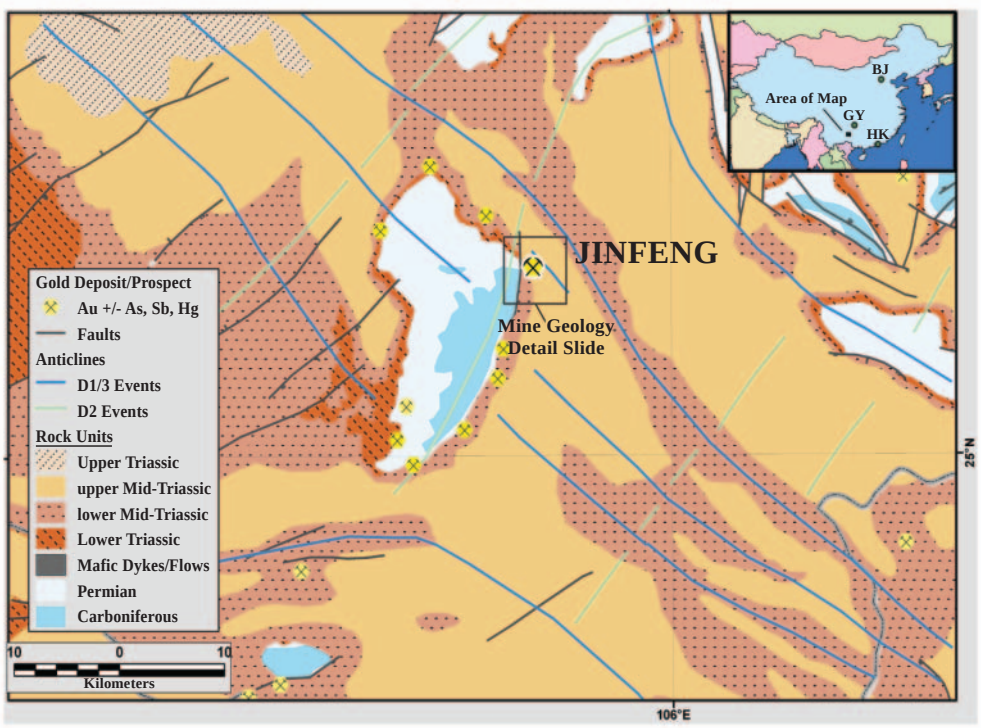

Figure 4-1: Jinfeng Area Regional Geology

4.2 Deposit Geology

The Jinfeng Gold Resource is hosted within and immediately adjacent to a series of interconnected major faults (locally known as F3, F2, F20, F7 and Rongban faults). The mineralisation consists of disseminated pyrite, arsenical pyrite and arsenopyrite which replace the shale and sandstone of the Middle Triassic Xuman Formation within the faults and in the immediate wall rock at the edge of the faults. The gold occurs in the rims of fine-grained pyrite and arsenopyrite grains and so is very finely distributed through the deposit. This style of mineralisation has many similarities with the "Carlin Style" of deposits found originally in Nevada, USA. At Jinfeng the mineralised zone is 750m in strike, 10 to 30m in width and has been explored on the F3 and F7 down to a depth of 800m vertically below surface.

Jinfeng has been mined in the past at the surface where the mineralisation is exposed and has been oxidised by natural weathering processes. Initially the deposit was a source of mercury and later a source of gold for local miners.

Geologically, the Jinfeng deposit can be divided into three major domains (Figure 4-2):

- Mineralisation on the west-north-west trending F3 fault and at the intersection of the F3 with the F7 fault at depth (the F7 is not exposed at surface within the proposed mine, Figure 4-3). These structures host approximately 80% of the gold within the current Resource. These structures are the major features of the Huangchanggou part of the deposit at Jinfeng

- Mineralisation associated with the F2 fault, which strikes orthogonally to the F3 and forms the northern edge of the Huangchanggou deposit

- Mineralisation hosted by a number of narrower north-west trending faults at Rongban (the Rongban deposit, Figure 4-4), separated from Huangchangguo by the F2 fault and largely related to the F12 fault.

Gold at Jinfeng is associated mainly with arsenic-rich pyrite and minor arsenopyrite. The gold grade to sulphur ratio, the gold to arsenic ratio and the gold to mercury ratio are related, but are internally variable within the deposit. Arsenic, gold and mercury deposition were controlled by the same series of faults but were probably deposited over slightly different time intervals. As a result, the distribution of each element within the deposit is slightly different, resulting in some variability in gold: arsenic and gold: mercury ratios at the mining scale.

The average and maximum values of elements and minerals of interest in the Resource is shown in Table 4-1.

Table 4-1: Elements and Minerals of Interest to Mining and Recovery of the Gold Deposit at Jinfeng — based on February 2004 Resource

Element or Mineral	Resource Average*	Resource Maximum
Gold (Au)	4.9g/t	
Arsenic (As)	2929ppm	7% (70,000ppm)
Sulphide	3 to 6%	
Sulphur (S)	1.25%**	
Mercury (Hg)	60ppm	3% (30,000ppm)
Antimony (Sb)	40ppm	2% (20,000ppm)

* February 2006 Resource estimate using 2.0g/t Au cut off

** possibly a low estimate as a result of bias from partially oxidised material collected from re-sampling exploration adits in the upper parts of the Resource. April 2006 Reserve average sulphur is estimated at 1.79% S using a 1.9g/t Au cut off for the open-pit and 2.9g/t Au off for the underground

The sulphur content of the deposit is of particular interest as the gold within the deposit is almost entirely refractory, i.e. the gold is physically or chemically locked up in the sulphide crystal structure or within the atomic lattice of the sulphides. As a result, gold extraction requires chemical destruction of the sulphide complex to release the bulk of the gold.

Based on the February 2006 Resource, the sulphur for the deposit is shown in Table 4-2 for 40m thick horizontal slices. The mine schedule allows for mining to Level 570 metres Reduced Level (mRL) in the first 2 years, to Level 520mRL in the Stage I pit and to Level 430mRL in the stage II pit.

Table 4-2: Sulphur and Arsenic Estimated from the February 2006 Resource Estimate

RL From	RL To	Sulphur (%)	Arsenic (ppm)
780	740	0.43	1472
740	700	0.89	2451
700	660	0.82	1910
660	620	1.05	2524
620	580	1.18	2987
580	540	1.29	2896
540	500	1.33	3171
500	460	1.35	3141
460	420	1.58	3555
420	380	1.65	3485
Weighted Average		**1.25**	**2929**

The April 2006 Ore Reserve Estimate includes the sulphur and arsenic estimates as shown in Table 4-3.

Table 4-3: Sulphur and Arsenic Estimated from the April 2006 Ore Reserve Estimate

	Sulphur (%)	Arsenic (ppm)
Stage 1 Pit	1.37	3655
Stage 2 Pit	1.52	4211
Underground	1.93	3726
Weighted Average	**1.79**	**3782**

The Stage I Pit estimates for Sulphur are of interest as the total sulphide and sulphide to gold ratio are factors for consideration in the processing design of the ore. Sulphur analyses in the upper parts of the deposit may have a negative bias, caused by reliance on channel samples from the old adits which have been used to estimate sulphur. The original adits were constructed by Brigade 117 in the late 1980's, however channel samples taken at that time were not analysed for Sulphur or Arsenic. In 2002 Sino re-sampled the adits for Sulphur analysis after the walls had partially oxidised, hence it is expected there is a negative bias in the Sulphur estimates. At the time or writing this report, some analyses from a detailed RC drilling program in the upper part of the pit within the F3 Resource domain had been done which indicated the upper parts of the Stage I Pit is likely to have an average sulphur grade of 1.5%, although these analyses were incomplete at the time of writing this report. This agrees well with the underground horizontal drill holes completed by Sino in 2002 which returned from 1.4% to 1.5% sulphur in the F3 Resource domain. This level of sulphur is at the lower end of the specification set by the process engineers, but is within specification for optimisation of the recover process.