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sinogold

SINO GOLD MINING LIMITED

澳華黃金有限公司*

(incorporated in the New South Wales, Australia with limited liability)

(STOCK CODE: ASX: SGX, SEHK: 1862)

*(a company incorporated in New South Wales, Australia with limited liability
under the Australian Corporations Act 2001 (Commonwealth of Australia))*

12 February 2008

WHITE MOUNTAIN ORE RESERVE INCREASED BY 81%

Sino Gold (ASX Code: SGX HKSE: 1862) is pleased to advise an increase in the White Mountain Ore Reserve estimate by 81% to 6.5 million tonnes at 3.8 g/t gold, containing 0.8 million ounces and an increase in the Measured and Indicated Resource estimate by 92% to 10.7 million tonnes at 3.1 g/t gold, containing 1.1 million ounces.

More details are included in the attached announcement.

By Order of the Board
SINO GOLD MINING LIMITED

James Edward Askew
Chairman

As at the date of this announcement, the directors of Sino Gold Mining Limited are:

Executive directors:

Mr. Jacob Klein

Mr. Hanjing Xu

Non-executive directors:

Mr. James William D'Altera Dowsley

Mr. Jianguo Zhong

Independent non-executive directors:

Mr. James Edward Askew

Mr. Peter William Cassidy

Mr. Brian Henry Davidson

Mr. Peter John Housden

** for identification purposes only*



12 February 2008

WHITE MOUNTAIN ORE RESERVE INCREASED BY 81%

Highlights

- The White Mountain Ore Reserve estimate has increased 81% to **6.5 million tonnes at 3.8 g/t gold, containing 0.8 million ounces**.
- Approximately 73% of Measured and Indicated Resources convert to Ore Reserves.
- The White Mountain Measured and Indicated Resource estimate has increased 92% to **10.7 million tonnes at 3.1 g/t gold, containing 1.1 million ounces**.
- Deposit remains open along strike to the northeast and at depth with drilling to continue in 2008.
- Ground position has been expanded to cover 128km².
- White Mountain now has a **mine life of at least 10 years** based on the updated reserve estimate.

Sino Gold Chief Executive Officer, Jake Klein, commented:

“Development of White Mountain Gold Mine remains on-schedule and on-budget to commence commissioning of the processing plant in late 2008.

“This increase of the resource to over one million ounces and doubling of reserves provides White Mountain with a mine life of at least ten years. Drilling in 2008 is planned to test the regional potential as well as continue to further extend mineralisation to the northeast and at depth.

“White Mountain has been advanced very quickly towards becoming Sino Gold’s second mine and is shaping up as a robust, simple underground mining operation. Relatively low capital and operating costs in China should enhance the economic returns for this mine.”

Mineral Resource Estimate

The interpretation of data from the 147 diamond drillholes (totalling 32,451m) completed during 2007 culminated in the White Mountain identified Mineral Resource being significantly upgraded and increased over the January 2007 estimate.

The updated White Mountain in-situ Measured and Indicated Resource estimate as tabulated below totals approximately 10.7 million tonnes at 3.1 g/t gold, containing 1.1 million ounces.

Category	January 2007			February 2008			% Change		
	Million Tonnes	Grade (g/t Au)	Gold ('000oz)	Million Tonnes	Grade (g/t Au)	Gold ('000oz)	Tonnes	Grade	Gold
Measured	2.6	3.6	304	6.7	3.1	674	159%	-13%	122%
Indicated	2.3	3.5	258	4.0	3.1	407	76%	-10%	58%
M+I	4.9	3.6	562	10.7	3.1	1,081	120%	-13%	92%
Inferred	2.9	3.1	284	1.7	2.1	110	-42%	-34%	-61%
Total	7.7	3.4	846	12.4	3.0	1,191	60%	-12%	41%

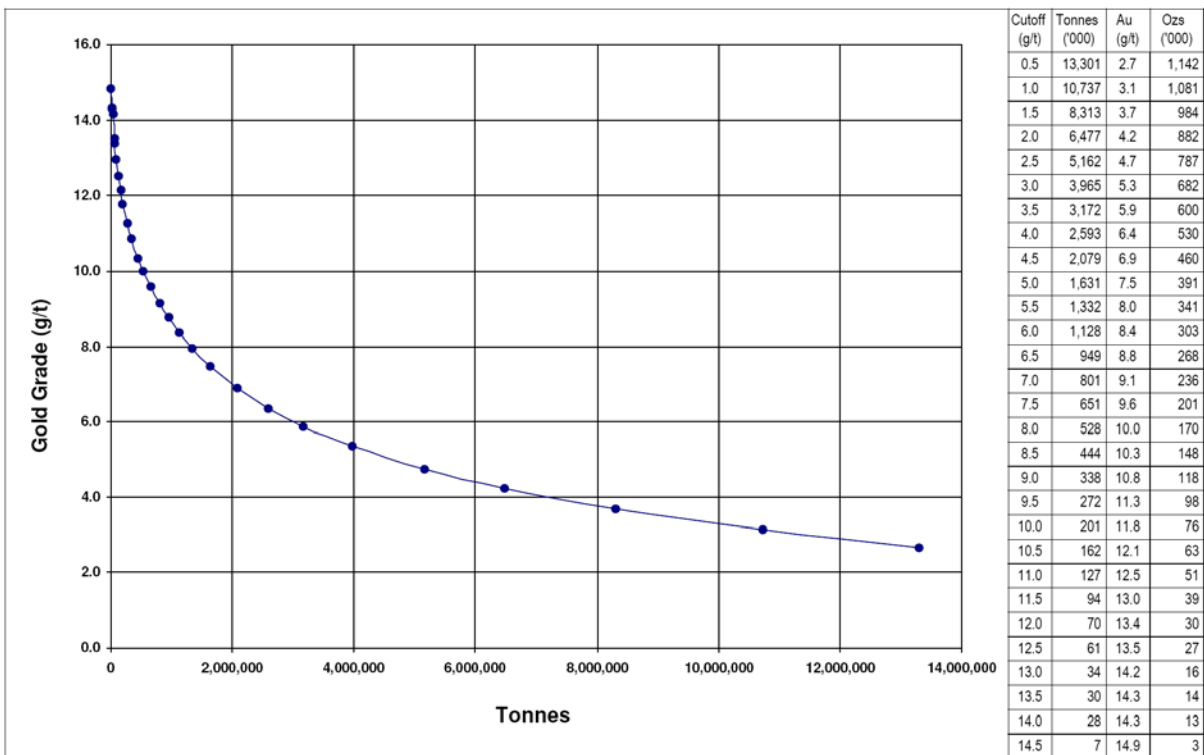
Note: Cut-off grade of 1.0g/t gold used for both estimates. Mineral Resources are inclusive of Ore Reserves.

This new Measured and Indicated Resource estimate is approximately double the previous estimate in terms of both tonnes and contained ounces.

Drilling has extended the mineralisation contained in the resource approximately 140m to the northeast. The majority of the resource increase has come from the northeast area of the resource.

The grade has reduced by 13% from previous estimate, primarily due to the drilling and inclusion of lower grade, previously Inferred Resource into Measured and Indicated resources, and additional lower grades zones within the deposit.

A cut-off grade of 1.0g/t gold was used for the resources reported above. The tonnes and grade of the Measured and Indicated Resources at varying cut-off grades is detailed in the graph and table below.



The updated resource estimate is primarily based on:

- Data from 297 diamond drillholes, totalling 83,006m, all drilled by Sino Gold, as well as data from channel sampling of trenches and two underground adits;
- Drill spacings of generally 40m along strike and in the range of 40m to 60m down dip;
- Cut-off grade of 1.0g/t gold; and
- Ordinary Kriging geostatistical resource estimation technique.

Ore Reserve Estimate

The updated White Mountain Ore Reserve estimate as tabulated below totals 6.5 million tonnes at 3.8g/t gold, containing 0.8 million ounces.

Category	March 2007			February 2008			% Change		
	Million Tonnes	Grade (g/t Au)	Gold ('000oz)	Million Tonnes	Grade (g/t Au)	Gold ('000oz)	Tonnes	Grade	Gold
Proved	1.8	4.2	239	4.2	3.7	494	138%	-13%	106%
Probable	1.4	4.2	195	2.3	4.0	290	58%	-5%	49%
Total	3.2	4.2	434	6.5	3.8	784	102%	-10%	81%

Note: Cut-off grades used: 2.0g/t and 2.3g/t gold for March 2007 estimate.
1.7g/t and 2.0g/t gold for February 2008 estimate.

Proved Reserves comprise 63% of the total Ore Reserve.

Ore is planned to be accessed via a decline with the sub-level open stoping mining method being used for portions of the orebody thicker than 10m, with the cut-and-fill method being utilised for the remainder of the deposit. The reduced dip of the deposit in some areas has resulted in much of the area previously planned to be mined by bench stoping now planned to be extracted using cut-and-fill stoping.

Key parameters for this Ore Reserve estimate are:

- Gold price of US\$650 per ounce;
- Current estimates of operating costs and metallurgical recoveries; and
- Cut-off grades of between 1.7g/t to 2.0g/t gold.

The following additional information is available at www.sinogold.com.au under "Our Projects":

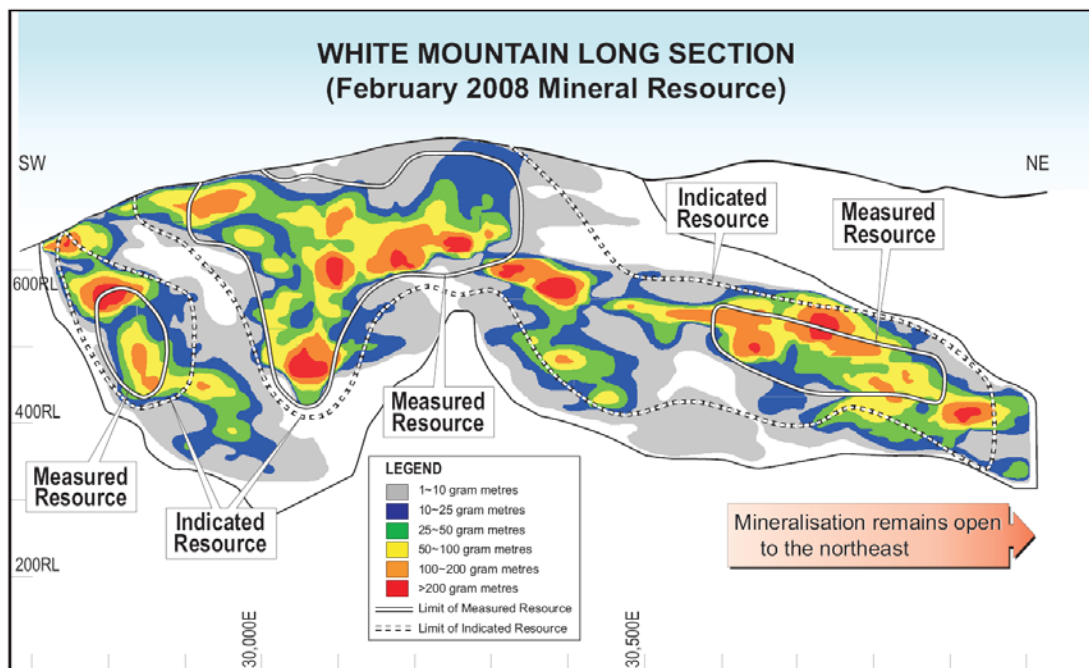
- The reserve and resource estimate methodology, including a summary of relevant assessment and reporting criteria (in the Reserves and Resources section); and
- A table containing details on all drillholes completed (in the White Mountain section).

Geological Setting

Gold mineralisation at White Mountain is:

- Contained within a major northeast trending regional fault zone;
- Hosted by a silicified breccia and pyrite veinlets in this fault zone between a "hanging wall" quartzite and a "footwall" silicified dolomite or marl;
- Associated with multi-stage silica, iron-oxide, pyrite and barite mineralisation;
- Dipping between 25° and 70° (average 45°) to the southeast.

The resource extends over a strike length of approximately 1,520m, to a maximum depth of 530m, with true thickness up to 60m and an average true width of approximately 9m. Geological continuity is well demonstrated by the extent of breccia development on the main controlling fault with high-grade shoots at the intersections of faults.



The geometry of the mineralisation should enable higher grade zones to be mined in the early years of the operation.

The primary control on mineralisation is interpreted to be the intersection of the two major northeast-trending regional faults (F100 and F102). Transverse faults across the F100 Fault are interpreted to also localise gold mineralisation into high-grade zones.

Gold mineralisation at White Mountain remains open along strike to the northeast and at depth.

Mine Development

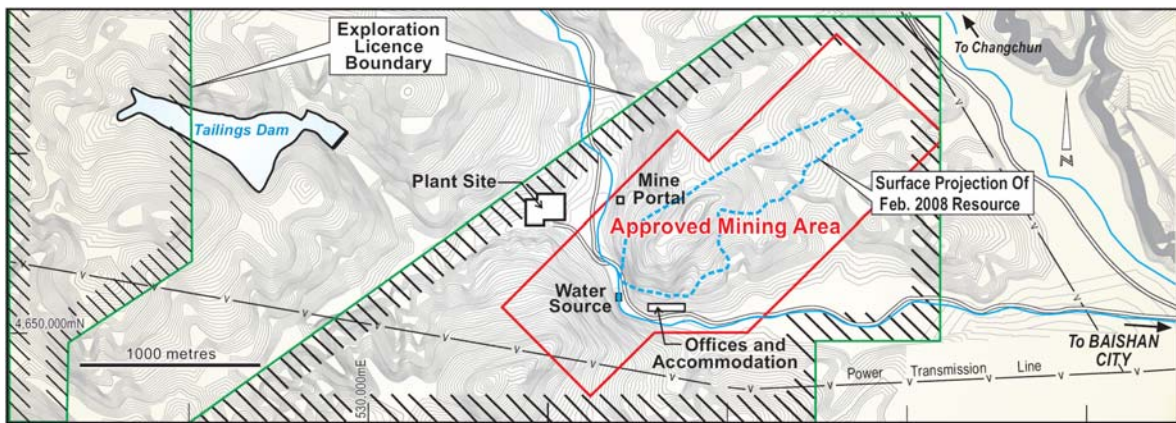
In August 2007, the Sino Gold's Board of Directors approved development of White Mountain Gold Project

Project development capital costs are estimated to total US\$55 million (including contingency). Sino Gold owns 95% of White Mountain and is responsible for funding the local joint-venture partner through development.

The White Mountain processing plant is a standard Chinese design Carbon in Leach ("CIL") plant and being built entirely with Chinese equipment. Mill throughput is planned to be approximately 650,000 tonnes per annum with overall gold recoveries averaging 80%.

White Mountain is planned to produce approximately 70,000 ounces per annum.

White Mountain is located close to infrastructure in an established mining district. The proposed site layout is summarised in the diagram below.



White Mountain Outlook

During the winter months, development of the underground mine is the key activity on site. Detailed engineering design, off-site fabrication and procurement are also being carried out over winter with the majority of the construction work planned to start in April 2008.

Development of White Mountain Gold Project remains on-schedule and on-budget to commence commissioning of the processing plant in late 2008.

As the resource remains open to the northeast and at depth, the Company intends to continue drilling in 2008 with the aim of further upgrading and expanding resources, as well as discovering near-mine gold resources.

Competent Persons

These Mineral Resources and Ore Reserves are presented in accordance with the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"), which is equivalent under the corresponding categories of mineral reserves and mineral resources to Canada's National Instrument 43-101 – Standards for Disclosure for Mineral Projects ("NI43-101") and CIM Standards. Further technical information on the White Mountain Project is contained in the Offer and Takeover Bid Circular for Golden China Resources Corporation dated 24 October 2007.

The information relating to this Mineral Resource estimate has been compiled by Sino Gold's team of geologists led by Dr Yumin Qiu (MAIG) in China and Mr Phillip Uttley (FAusIMM) in Australia.

Mr Robin Simpson (MAIG) of SRK Consulting prepared the Mineral Resource estimate using the Ordinary Kriging geostatistical method.

Mr Uttley takes responsibility for the information relating to this Mineral Resource estimate and has over 25 years relevant experience in evaluation of gold deposits. Mr Uttley consents to the inclusion in this report of the information in the form and context in which it appears.

Dr John Chen (MAusIMM) takes responsibility for the information relating to this Ore Reserve estimate. Dr Chen is an underground mining engineer, Manager – Mining, Technical Services for Sino Gold, and has more than 20 years experience in the mining industry.

Mr Uttley and Dr Chen are full-time employees of Sino Gold Limited and are Competent Persons as defined in the JORC Code and "qualified persons" under NI43-101. They consent to the inclusion in this report of the information in the form and context in which it appears.

About White Mountain

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

The White Mountain project is located in lightly forested public land, within 2km of a newly paved concrete road that is linked to the national highway and railway systems. Grid power and water are available on site, which is only 7km from the prefecture level city of Baishan, a coal and iron ore mining centre.

For further information regarding Sino Gold please contact:

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Cautionary Statement on Forward Looking Information

Certain statements contained in this news release constitute forward-looking information within the meaning of securities laws. The words "expect", "will", "intend", "estimate" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management of Sino Gold are inherently subject to significant business, economic and competitive uncertainties and contingencies. Sino Gold cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Sino Gold to be materially different from their respective estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to: changes in the worldwide price of gold or certain other commodities (such as fuel and electricity) and other currencies; changes in U.S. dollar interest rates or gold lease rates; risks arising from holding derivative instruments; legislative, political or economic developments in the jurisdictions in which Sino Gold carries on business; operating or technical difficulties in connection with mining or development activities; employee relations; availability and increasing costs associated with mining inputs and labour; the speculative nature of exploration and development, including the risks of diminishing quantities or grades of reserves, adverse changes in our credit rating, contests over title to properties, particularly title to undeveloped properties; and the risks involved in the exploration, development and mining business. These factors are discussed in greater detail in statutory releases filed with the applicable securities regulatory authorities.