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**sino**gold

**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))*

26 May 2008

**SINO GOLD MINING LIMITED \$136 MILLION  
ENTITLEMENT OFFER  
RESUMPTION OF TRADING**

Sino Gold Mining Limited (ASX: SGX, HKSE: 1862) has successfully completed the Institutional Offer component of its accelerated renounceable pro-rata entitlement offer ("Offer"), announced on 20 May 2008. The A\$136 million Offer, comprising of an Institutional Offer and a Retail Offer provides an opportunity for eligible institutional and retail shareholders to subscribe for 2 New Sino Gold Shares for every 15 Sino Gold Shares held at 5pm Hong Kong Time (7pm Sydney Time) on 23 May 2008, at the Offer Price of \$4.00.

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 director:**

Mr. Thomas David McKeith

**Independent non-executive directors:**

Mr. James Edward Askew

Mr. Peter William Cassidy

Mr. Brian Henry Davidson

Mr. Peter John Housden

*\* for identification purposes only*

26 May 2008

## **SINO GOLD COMPLETES INSTITUTIONAL COMPONENT OF A\$136 MILLION ENTITLEMENT OFFER**

### **RESUMPTION OF TRADING**

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Sino Gold also announced on 20 May 2008 a successful placement to Gold Fields Australasia (BVI) Limited ("Placement").

The primary purpose of the Offer and the Placement is to increase Sino Gold's exposure to the spot gold price. Specifically, the uses to which Sino Gold intends to apply the net proceeds from the Offer and the Placement are as follows:

- close out all of Company's gold forward sales contracts, which totaled 278,657 ounces at an average delivery price US\$525/ounce as at 30 April 2008; and
- provide funds for acquisitions, development and exploration expenditure, working capital and general corporate purposes

#### **Completion of the Institutional Offer**

The Institutional Offer has received very strong support from Sino Gold's existing institutional shareholders. Participation from existing eligible institutional shareholders was approximately 95% by number of shares available under the Institutional Offer.

The Institutional Bookbuild was very well supported, attracting bids from both new and existing Australian and international institutional investors. The bookbuild clearing price for these shares was A\$5.40 per share, A\$1.40 above the A\$4.00 Offer Price. Accordingly, eligible institutional shareholders who elected not to take up their entitlements under the Institutional Offer and ineligible institutional shareholders will receive A\$1.40 for each New Sino Gold Share not taken up.

The Institutional Offer and Institutional Bookbuild are expected to result in the placement of approximately 26 million New Sino Gold Shares to eligible institutional shareholders and investors. The Institutional Offer and associated Institutional Bookbuild raised approximately A\$103 million at the Offer Price of \$4.00 per New Sino Gold Share and will represent approximately 10%<sup>1</sup> the existing issued share capital of the Company as at the date of this announcement and approximately 9%<sup>1</sup> of the share capital enlarged by Institutional Offer and Tranche 1 of the Placement.

The New Sino Gold Shares from the Institutional Offer and the Institutional Bookbuild are expected to be issued on Tuesday 3 June 2008 and commence trading on the ASX on the same day.

## Completion of Tranche 1 of Placement

The Placement to Gold Fields is structured in two parts. Tranche 1 of the Placement, raising [A\$55.33 million], has been completed resulting in the placement 11 million New Sino Gold Shares to Gold Fields at a price of A\$5.03 per share. The New Sino Gold Shares issued under Tranche 1 will represent approximately 4.5%<sup>1</sup> the existing issued share capital of the Company as at the date of this announcement and 4.3%<sup>1</sup> of the share capital enlarged by Tranche 1 of the Placement.

Tranche 2 of the Placement, to be priced between A\$[5.00] and A\$[5.03], will result in Gold Fields increasing its holding to 19.9% of the issued shares in Sino Gold.

## Shareholding structure

Set out below is the shareholding structure of Sino Gold (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the shares pursuant to the first tranche of the Placement; and (iii) immediately after the allotment and issue of the shares pursuant to the Institutional Offer and Institutional Bookbuild.

	As at the date of this announcement		Immediately after the allotment and issue of the shares pursuant to the first tranche of the Placement		Immediately after the allotment and issue of the shares pursuant to the Institutional Offer and Institutional Bookbuild <sup>1</sup>	
	Number of shares	%	Number of shares	%	Number of shares	%
Gold Fields	37,866,163	15.5	48,866,163	19.2	55,381,651	19.7
Directors	4,031,356	1.7	4,031,356	1.6	4,031,356	1.4
Other public shareholders	201,843,883	82.8	201,843,883	79.2	184,328,395	78.9
Total	243,741,402	100.0	254,741,402	100.0	280,576,015	100.0

## Commencement of the Retail Offer

The remaining proceeds from the Offer, being approximately \$33 million, are expected to be raised through the Retail Offer.

The Retail Offer opens on Thursday, 29 May 2008 following the lodgement today of a prospectus with the Australian Securities and Investments Commission (the Prospectus). The Prospectus will also be registered today with the Registrar of Companies in Hong Kong Limited (the Prospectus). The Retail Offer is open to eligible retail shareholders in Australia, New Zealand and Hong Kong registered on the Sino Gold share register at the record date of 5pm Hong Kong Time (7pm Sydney Time) on Friday 23 May 2008.

Further details regarding the Retail Offer were set out in Sino Gold's announcement dated Tuesday, 20 May 2008.

Sino Gold's announcement dated Tuesday, 20 May 2008 stated that the Prospectus would be dispatched on Tuesday, 27 May 2008. However, due to the volume of documents, some documents may not be dispatched on that date in Australia or Hong Kong. The Company

<sup>1</sup> Due to rounding of entitlements and reconciliation of entitlements under the Institutional Offer to shareholdings on the Record Date, the exact number of New Sino Gold Shares to be issued, and the number to be issued under each part of the Offer, will not be known until completion of the Offer. The Company will make a further announcement stating the exact number of New Sino Gold Shares that have been issued as soon as possible.

confirms that a copy of the Prospectus and personalised Entitlement and Acceptance Form will be mailed to eligible retail shareholders by 29 May 2008. The Retail Offer closes on Thursday 12 June 2008 at 4pm Hong Kong time (and at 5.00pm Sydney time) . Offers of New Sino Gold Shares under the Retail Offer to eligible retail shareholders will be made in, or accompanied by, a copy of the Prospectus. In deciding whether to take up the Offer, eligible retail shareholders should carefully read the Prospectus.

A copy of the Prospectus will also be available for eligible retail shareholders on the Sino Gold website [www.sinogold.com.au](http://www.sinogold.com.au).

### Trading Suspension and Resumption

Trading in Sino Gold's shares was suspended on the ASX and the HKSE on Tuesday, 20 May 2008. Sino Gold shares are expected to resume trading on the ASX and on the HKSE on Monday 26 May 2008. Sino Gold has applied to the HKSE for resumption of trading with effect from 9.30am on Monday, 26 May 2008.

### Key Dates for the Retail Entitlement Offer

Record Date for the Retail Offer (register of members of Sino Gold to be closed)	7.00pm (Sydney time) (5.00pm Hong Kong time) on Friday, 23 May 2008
Register of members of Sino Gold to be re-opened	Monday 26 May 2008
Lodgement of the Prospectus for Retail Offer with ASIC and HKSE	Monday 26 May 2008
Date by which Prospectus will be dispatched to eligible retail shareholders	Thursday, 29 May 2008
Retail Offer opens	Thursday, 29 May 2008
Retail Offer closes (latest time for acceptance of and payment for shares)	Thursday, 12 June 2008
<ul style="list-style-type: none"> <li>• eligible retail shareholders in Australia or New Zealand</li> </ul>	5.00pm Sydney Time
<ul style="list-style-type: none"> <li>• eligible retail shareholders in Hong Kong</li> </ul>	4.00pm Hong Kong Time
Retail Bookbuild	Thursday, 19 June 2008
Announcement of results of Retail Offer (latest date for the retail offer to become unconditional)	Friday, 20 June 2008
Settlement of the second tranche of the Placement	Wednesday, 25 June 2008
Settlement of the Retail Offer and Retail Bookbuild (latest date for underwriting agreement to become unconditional in respect of Retail Offer in Hong Kong)	Wednesday, 25 June 2008
Share certificates expected to be dispatched for New Sino Gold Shares in the Hong Kong registry	Thursday, 26 June 2008
Holding statements expected to be dispatched for new shares in the Australian Share Registry	Friday, 27 June 2008
Normal trading of New Sino Gold Shares issued under the Retail Offer and Retail Bookbuild expected to commence trading	Friday, 27 June 2008
Dispatch of payments (if any) from Retail Bookbuild to non-participating shareholders in Hong Kong	Friday, 27 June 2008
Dispatch of payments (if any) from Retail Bookbuild to non-participating shareholders in Australia	Wednesday, 2 July 2008
<i>These dates are indicative only and subject to change.</i>	

## Information Line

Eligible Retail Shareholders in Australia or New Zealand who have any queries or who do not receive a Prospectus by Thursday 29 May 2008 are encouraged to contact the Sino Gold Shareholder Information Line on 1300 737 760 or +61 2 9290 9600 (from outside Australia) at any time from 8.30 am to 7.30 pm (AEST) Monday to Friday.

Eligible Retail Shareholders in Hong Kong who have any queries or who do not receive a Prospectus by Thursday, 29 May 2008 are encouraged to contact the Sino Gold Shareholder Information Line on +852 2862 8555 at any time from 9am to 6pm (Hong Kong time) Monday to Friday except holidays.

## Enquiries:

**Investor Enquiries:** Roger Howe, Investor Relations  
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**Nominee Enquiries** Kelvin Chee .+61 8280 6000, [chee@orientcap.com](mailto:chee@orientcap.com)

## Cautionary Statement

*This document is not a prospectus and does not constitute an offer of securities. The offer of shares will only be made in, or accompanied by, a copy of the prospectus which will be sent to eligible shareholders. Eligible retail shareholders wishing to acquire shares in the Offer should consider the Prospectus and will need to complete the entitlement and acceptance form that will be in, or will accompany the Prospectus.*

*This market announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction. Neither the entitlements nor the new shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the United States. The entitlements and the new shares may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration.*

*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.*