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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))*

20 June 2008

SINO GOLD SUCCESSFUL COMPLETION OF RETAIL OFFER

Sino Gold Mining Limited (ASX:SGX, HKSE: 1862) has successfully complete the Retail Offer component of the accelerated renounceable entitlement offer (“Offer”) announced on 20 May 2008, The A\$136 million Offer, comprising of an Institutional Offer and a Retail Offer provided the 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 on 23 May 2008 at the Offer price of A\$4.00. The Retail Offer raised approximately A\$33 million. The Offer was conducted in conjunction with a Placement to Sino Gold’s major shareholder Gold Fields Australasia (BVI) Limited (“Gold Fields”).

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. 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*



20 June 2008

SINO GOLD SUCCESSFUL COMPLETION OF RETAIL OFFER

Sino Gold Mining Limited (ASX: SGX, HKSE: 1862) has successfully completed the retail component of its Offer, raising approximately A\$33 million. This amount is in addition to the A\$103 million raised through the institutional component of the Offer completed last month.

Commenting on completion of the Offer, Sino Gold CEO Jake Klein said:

“I am delighted by the strong support for this entitlement offer. Retail shareholders demonstrated their support by subscribing for more than 78% of shares in the Retail Offer. This followed the very strong support in the Institutional Offer that had over 95% take up.

“With the close out of the hedge book Sino Gold’s shareholders now have the opportunity to fully participate in the value created by our growing gold production in a rising gold price environment.”

Retail Offer and Bookbuild

The Retail Offer closed on Thursday 12 June 2008, with subscriptions for received for approximately 6.3 million new shares. Approximately 1.8 million new shares were available for the Retail Bookbuild, which was completed on Thursday 19 June 2008. The Retail Bookbuild was well supported, attracting bids from new and existing Australian and international institutional investors.

The bookbuild clearing price for the Retail Bookbuild shares was A\$4.90 per new share, A\$0.90 above the A\$4.00 Offer Price. Accordingly, Eligible Retail Shareholders who elected not to take up their Entitlements, and Ineligible Retail Shareholders, will receive A\$0.90 for each new share not taken up.

This payment is expected to be sent to these shareholders on Wednesday 2 July 2008 for shareholders on the Australian register and Friday 27 June 2008 for shareholders on the Hong Kong register. The allotment of new shares under the Retail Offer, the Retail Bookbuild and the second tranche of the Placement is expected to take place on Thursday 26 June 2008.

In total 8,177,811 new shares will be issued under the Retail Offer and Retail Bookbuild. This represents 2.9% of the issued share capital of the Sino Gold at the date the shares will be issued, and 2.8% of the enlarged share capital of the Sino Gold after these shares, and the shares to be issued pursuant to the second tranche of the Placement are issued.

Second Tranche of Placement

A total of 2,586,378 new shares will be issued pursuant to the second tranche of the Placement to Gold Fields at a price of A\$5.00 per new share, raising total gross proceeds from the second tranche of the Placement of A\$12.9 million. The combined gross proceeds from the first tranche of the Placement and the second tranche of the Placement will be A\$68 million.

This represents 0.92% of the issued share capital of the Sino Gold at the date the shares will be issued, and 0.89% of the enlarged share capital of the Sino Gold after the shares, and the shares issued pursuant to the Retail Offer and Retail Bookbuild are issued.

Shareholding Structure

Settlements for the Retail Offer, the Retail Bookbuild and the second tranche of the Placement to Gold Fields are due to occur on Wednesday 25 June 2008.

Set out below is the shareholding structure of Sino Gold (i) immediately before the allotment and issue of new shares pursuant to the Retail Offer, Retail Bookbuild and second tranche of the Placement; and (ii) immediately after the allotment and issue of new shares pursuant to the Retail Offer, Retail Bookbuild and second tranche of the Placement.

	As at the date of this announcement immediately before the allotment and issue of new shares pursuant to the Retail Offer, Retail Bookbuild and second tranche of the Placement		Immediately after the allotment and issue of the shares pursuant to the Retail Offer, Retail Bookbuild and second tranche of the Placement	
	Number of shares	%	Number of shares	%
Gold Fields	55,381,651	19.7	[57,968,029]	19.9
Directors	4,031,356	1.4	[4,031,356]	1.4
Other public shareholders	221,159,431	78.8	[229,337,242]	78.7
Total	280,572,438	100.0	[291,336,627]	100.00

Close-out of Hedging Contracts

In early June 2008, Sino Gold completed the close out all of the Company's gold forward sales contracts.

Following this transaction, Sino Gold has total exposure to rising gold prices and the Company does not anticipate putting in place any further gold hedging.

The close-out cost of A\$125 million will be capitalised on the Balance Sheet in a Hedge Reserve account under Equity. Hedge accounting requires that this cost is brought to account at original hedge designation dates. The close-out cost will be amortised through the Income Statement in line with the schedule below (Sino Gold's share being 82%).

Calendar Year	2008*	2009	2010	2011	2012
Non-Cash Hedging Losses (A\$M)	21	28	29	30	17

* May to December 2008 only. Cash hedging losses totaling A\$11 million (pre-tax) for contracts delivered from January to April 2008 are anticipated to be recognised separately as cash hedging losses.

The spot gold price realised will be recognised as sales revenue in the Income Statement. The non-cash hedging losses detailed above are anticipated to form a separate pre-tax line item in the Income Statement and be excluded from the calculation of operating profit.

Previous Announcements

Further details regarding the Offer and the Placement were set out in Sino Gold's announcement of Tuesday, 20 May 2008. The completion and results of the Institutional Offer and first tranche of the Placement were announced by Sino Gold on 26 May 2008 and 2 June 2008.

Information Line

Shareholders who have further questions are encouraged to contact the Sino Gold Offer Information Line on 1300 737 760 (within Australia), +852 2862 8555 (within Hong Kong) or +612 9290 9600 (from outside Australia and Hong Kong).

Enquiries:

Investor Enquiries: Jake Klein, CEO or Roger Howe, Investor Relations
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Media Enquiries: Kate Kerrison
+61 2 6746 3221, kate@katekerrison.com.au

About Sino Gold

Sino Gold has been active in China since 1996. The Company owns 82% of the Jinfeng gold mine in Guizhou Province, southern China, which has Mineral Resources containing 5.3 million ounces and Ore Reserves containing 3.5 million ounces.

Jinfeng is one of the largest gold mines in China as the mine ramps up to achieve initial planned production of 180,000 ounces per annum. Sino Gold aims to increase Jinfeng's gold production to optimal levels as quickly as possible.

The 95%-owned White Mountain project in Jilin Province, northeast China, is now being developed into Sino Gold's next mine.

In December 2007, Sino Gold completed the takeover of Golden China Resources Corporation and announced the Eastern Dragon acquisition. Sino Gold now has projects that provide a clear pathway for the Company to produce 500,000 ounces of low-cost gold annually.

Sino Gold is a producing gold company actively pursuing a discovery and acquisition strategy in China. With a "first mover" advantage, it holds a strong competitive position in China.

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

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.