



Capital Consolidation Community

Sino Gold Mining Limited
Interim Report 2008

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



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People are the heart of our Company and therefore it is appropriate that the Chinese character for people '人' is at the centre of our logo. The colouring reflects the product we produce and sell. The stars on the middle section represents the "Southern Cross" constellation which is visible in the night sky from Australia. This reflects the Company's relationship and link with Australia.



Summary of the Half-year Results

KEY POINTS

- Record 93,874 ounces of gold and 7,323 gold-equivalent ounces sold.
- Record revenue of A\$100.2 million.
- Mine operating earnings of A\$31.9 million.
- Profit before hedging and tax of A\$20.6 million.
- Cash flow generated from operating activity of A\$19.4 million.
- Net loss after tax of A\$1.6 million (including hedging charges of A\$16.4 million and income tax expense of A\$5.9 million). The Company's entire gold hedge book was closed out during the period.
- The Jinfeng Gold Mine produced 66,388 ounces at an average cash operating cost of US\$416/ounce.
- BioGold produced 23,342 ounces of gold at a net tolling profit margin of approximately US\$50/ounce.
- The Group's controlled Ore Reserves and Mineral Resources increased to a total of 4.8 million ounces and 8.2 million ounces, respectively.
- Development of the White Mountain Gold Mine is on schedule for first gold to be poured in late 2008.
- Feasibility and permitting of the Beyinhar Project progressed on schedule to enable a project development decision in late 2008.
- Sino Gold's ownership of the high-grade Eastern Dragon Lode 5 gold-silver deposit was increased to 80% and work has commenced towards enabling this quality project to be fast tracked into development.
- Strong gold price outlook and **Sino Gold is now completely unhedged.**

Chief Executive's Report

The results for the six months ended 30 June 2008 represent a turning point in Sino Gold's history. After years of hard work, the rewards of developing one of China's largest gold mines are reflected in the Company's financial statements for the first time. In addition, the results include the BioGold processing plant in Shandong which was acquired in December 2007.

This progress places Sino Gold in an extremely good position to continue to capitalise on the opportunity presented by China's rapidly growing gold industry. China is now the world's largest gold producing country and Sino Gold is the largest foreign gold company in China.

CLOSE-OUT OF HEDGE BOOK

In early June 2008, Sino Gold completed the close out of 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 was capitalised on the Balance Sheet in a hedge reserve account under Equity. Hedge accounting requires that this cost is amortised in accordance with original hedge designation dates.

During the half year, hedging losses of A\$11.0 million were realised prior to the close out of the hedge book and a further A\$5.3 million was amortised through the hedge reserve account following close out of the hedge book.

FINANCIAL RESULTS

Revenue reached a record of A\$100.2 million through the sale of 70,532 ounces of gold from Jinfeng Gold Mine and 23,342 ounces of gold and 7,323 gold-equivalent ounces from the BioGold Processing Facility. Mine operating earnings of A\$31.9 million were achieved.

A profit before hedging and tax of A\$20.6 million was realised. After adjusting for hedging charges (as required under the accounting standards) totalling A\$16.4 million and a tax charge of A\$5.9 million, the net loss after tax was A\$1.6 million. This includes a non-cash charge of A\$1.1 million for the write off of exploration expenditure in Shandong Province and A\$3.2 million relating to share options being amortised.

Net cash flows from operating activities were A\$19.4 million. A total of A\$129.2 million was absorbed by investment and acquisition activities, primarily relating to the construction of White Mountain, the construction of the underground mine at Jinfeng and the acquisition of Eastern Dragon.

Sino Gold's Balance Sheet is very strong with net assets of A\$654.9 million, including available cash of A\$81.3 million and A\$36.4 million Jinfeng project debt.

OPERATIONS AND DEVELOPMENT

Jinfeng is now one of China's largest gold mines as gold production continued to ramp-up during the half year. Gold production for the half year was 66,388 ounces at an average cash operating costs of US\$416/ounce. In June, cash operating costs fell below US\$400/ounce for the first time to US\$395/ounce.

The processing plant is performing well with all areas now close to achieving design production levels. Higher grade and additional grinding capacity are planned to increase gold production during the second half of 2008. Gold production is forecast to increase further in 2009 as the underground mine ramps up production of higher grade ore.

Sino Gold acquired the BioGold Facility in late 2007, which purchases gold concentrates and produces refined gold. Since acquiring the operation, Sino Gold has implemented a number of significant strategic changes that simplify and reduce the risks of the operation.

For the six months ended 30 June 2008, BioGold realised an average sales price of US\$915/ounce of gold and a net tolling profit margin of approximately US\$50/ounce for the 23,342 ounces of gold sold.

Development of the White Mountain Gold Mine in Jilin Province is on schedule for the first gold pour in late 2008. White Mountain has a current mine life of at least 10 years at planned average production rates of 65,000 ounces per annum with production in 2009 likely to be lower than average as the operation ramps up to design production.

The Beyinhar and Eastern Dragon Projects are both advanced projects that are being progressed towards becoming Sino Gold's next gold mines.

Beyinhar is being advanced towards a project development decision in late 2008. Current expectations are that a 2.5 million tonne per annum, heap-leach operation could commence production in the northern hemisphere spring of 2010.

The high-grade Eastern Dragon Lode 5 gold-silver deposit has potential to produce gold at very low cost. During the half year, Sino Gold increased its ownership to 80% and commenced field work and permitting.

Eastern Dragon is an important part of Sino Gold's growth strategy and is an asset that has the potential to be developed into a long-term, high-quality mine.

RESERVES AND RESOURCES

During the half year, the Group's controlled Ore Reserves and Mineral Resources increased to a total of 4.8 million ounces and 8.2 million ounces, respectively.

Jinfeng's Ore Reserves and Mineral Resources increased 11% to 3.5 million ounces and 16% to 5.3 million ounces, respectively. Jinfeng is an outstanding orebody that will provide the platform for the Company's continued growth.

White Mountain's Ore Reserves and Mineral Resources increased 81% to 0.8 million ounces and 92% to 1.2 million ounces, respectively. Significant potential remains for further increases, particularly to the northeast and at depth.

In March 2008, Sino Gold announced an initial Ore Reserve estimate for Beyinhar of 0.5 million ounces.

At Eastern Dragon, Sino Gold has commenced the field work required to verify the Company's near-term conceptual exploration target which is to convert the Chinese resource by the end of 2008 to a JORC Code categorised resource of approximately 600,000 to 800,000 ounces of contained gold potentially in the range of 2.3 to 2.9 million tonnes with grades of 7g/t to 8g/t gold and 70g/t to 75g/t silver.

Sino Gold's very substantial drilling programs over the course of 2008 are aimed at further increasing identified reserves and resources, as well as discovering the next orebody.

OUTLOOK

Sino Gold's strategy is to continue to grow its portfolio of quality assets and capitalise on its leading position in China's gold industry.

Chief Executive's Report

The Company's approach is to develop gold mines in a manner which provides long-term benefits to all stakeholders and optimises the returns from the gold resources. Sino Gold's management of safety, the environment and community relationships continues at very high standards and we recognize that our continuing performance in these areas is crucial to our long-term success in China.

Sino Gold is poised to report growing and strong operating profits as Jinfeng's gold production continues to increase and White Mountain commences gold production. Beyinhar and Eastern Dragon are likely to provide further growth in gold production over the coming two to three years.

Sino Gold's technical skills, financial strength and ability to rapidly progress projects has led to the Company being viewed as a partner of choice regarding opportunities in China.

Aimed at discovering very large gold deposits, our 50/50 strategic alliance with Gold Fields Limited (world's fourth largest gold company) is another value-creating initiative of the Company.

With the largest gold exploration program in China and a very strong balance sheet, Sino Gold is very well placed to create value for shareholders.

The gold price outlook remains strong and Sino Gold's shareholders will fully benefit from an increasing gold price as the Company is now completely unhedged.

The coming months promise to be very eventful and I recommend regularly visiting www.sinogold.com.au to keep up-to-date with the Company's progress.

Thank you for your ongoing and continued support.

Jake Klein
Chief Executive Officer

Directors' Report

This half-year report covers the consolidated entity comprising Sino Gold Mining Limited and its subsidiaries ("the Group" or "Sino Gold"). The functional currency of Sino Gold Mining Limited and its Australian subsidiaries is United States dollars ("US\$"). The functional currency of the overseas subsidiaries is Renminbi Yuan ("RMB"). The financial report is presented in Australian dollars ("A\$").

A description of the Group's operations and of its principal activities is included in the review and results of operations in the Directors' Report. The Directors' Report is unaudited and does not form part of the financial statements.

Your directors submit their report for the half-year ended 30 June 2008.

DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

James Askew	–	Chairman
Jacob Klein	–	President and CEO
Xu Hanjing	–	Executive Director
Peter Cassidy	–	Independent Non-Executive Director
Brian Davidson	–	Independent Non-Executive Director
Peter Housden	–	Independent Non-Executive Director
Liangang Li	–	Non-Executive Director (appointed 16 July 2008)
Thomas McKeith	–	Non-Executive Director (appointed 18 April 2008)
James Dowsley	–	Non-Executive Director (Resigned 18 April 2008)
Zhong Jianguo	–	Non-Executive Director (Resigned 3 March 2008)

REVIEW AND RESULTS OF OPERATIONS

Financial Results

Revenue reached a record of A\$100.2 million through the sale of 70,532 ounces of gold at Jinfeng gold mine and 23,342 ounces of gold and 7,323 ounces of gold equivalent at the BioGold processing facility. Costs of sales of A\$68.3 million include depreciation and amortisation (A\$6.5 million). Mine operating earnings were A\$31.9 million generating a profit before hedging and tax of A\$20.6 million.

Interest income of A\$1.3 million was earned on cash and cash equivalents but excluding restricted cash. Restricted cash represents cash held on deposit to secure Renminbi working capital loans within China with China Construction Bank.

Finance costs of A\$3.4 million include borrowing costs expensed (A\$0.5 million), interest charges on the US\$35.0 million Jinfeng Project Loan (A\$1.6 million), net interest charges on the Standby L/C Loans after offsetting interest on restricted cash (A\$0.9 million), and interest charges on BioGold short-term loans (A\$0.5 million). Restricted cash is cash held on deposit used to secure short term Renminbi working capital facilities within China. The restricted cash whilst shown separately in the balance sheet should be directly offset against interest bearing liabilities (refer Note 5).

The Group result includes a gain of A\$1.3 million due to the treatment of embedded derivatives within seed share options which are treated as derivative liabilities rather than equity. Movement in the share price along with any foreign exchange impact generates a profit or loss in the income statement. In addition, an expense related to share based payments relating to the notional cost of the grant of options to employees of A\$3.2 million was recognised.

During the period, the company decided to cease exploration activities on the Hexi tenement in Shandong Province. The costs (A\$1.1 million) associated with exploration on this tenement have been written off.

On 2 June 2008, all gold hedging contracts relating to the Jinfeng Project Loan were closed out for a total cost of US\$118.6 million (A\$125 million). After adjusting for the amortisation of hedging losses of A\$16.3 million as required under the accounting standards and a tax charge of A\$5.9 million (including a A\$3.7 million deferred tax charge) the reported net loss after tax was A\$1.6 million.

Net cash flows generated from operating activities (excluding hedges) was A\$19.4 million for the six-month period, which included interest payments of A\$4.3 million. During the half-year A\$129.2 million was absorbed by investment activities, primarily relating to the construction and development of the White Mountain project, the development of the underground mine at Jinfeng and the acquisition of Eastern Dragon.

Directors' Report

Financing activities during the period include A\$311.1 million generated from new share issues and A\$56.2 million proceeds from Renminbi working capital facilities (refer note 5). Loan repayment of A\$16.6 million included A\$5.2 million in scheduled repayments on the USD denominated Jinfeng Project facility.

The debt, after offsetting the restricted cash is A\$40.1 million or 6% of equity. Borrowings are denominated in both Renminbi and United States Dollars and are at floating interest rates. The company does not have any foreign currency hedging and is exposed to foreign currency exchange movements.

The Company had cash reserves of A\$197.3 million at the end of the period including restricted cash of A\$116.0 million leaving A\$81.3 million available for use by the Company. Cash holdings at 30 June 2008 were US\$143.1 million, (A\$148.7 million) A\$39.2 million, and RMB\$62.4 million (A\$9.5 million). Other than Renminbi holdings and \$10.5 million in United States Dollars all cash is controlled by head office treasury.

The financial statements recognise total assets of A\$911.3 million and net assets of A\$654.9 million giving a book value of net assets per share of A\$2.25. Net current assets are A\$42.3 million and total assets less current liabilities are A\$711.5 million. It should be highlighted however that in accordance with Accounting Standards, net assets do not recognise the full value of the Company's Ore Reserves.

	GROUP A\$'000
Financial Results	
Operating profit before other income	17,901
Other income	4,818
Gain on fair value of vested share options – derivatives	1,296
Finance costs	(3,371)
Profit before hedging and tax	20,644
Hedging loss – pre-close-out	(11,045)
Amortisation of hedge close-out	(5,310)
Profit before income tax	4,289
Income tax expense	(5,938)
Loss	(1,649)

Jinfeng

The 82% owned Jinfeng Gold Mine is located in Guizhou Province in southern China.

Contract open-cut mining operations continued to perform efficiently. A total of 565,000 tonnes of ore were mined along with 4,446,000 m³ of waste material. ROM ore stockpiled at 30 June 2008 totalled 292,000 tonnes.

The first underground heading intersected the ore body two months ahead of schedule. Development will continue in ore over the remainder of 2008 which will enable ground conditions to be assessed and optimal mining methods determined for underground ore production in 2009.

During the half-year the Jinfeng processing plant treated 573,000 tonnes with all key parameters approaching design rates at the end of the period.

Gold production for the half-year was 66,388 ounces at an average cash operating costs of US\$416/ounce. This cost had reduced to US\$395/oz in June. Sales totalled 70,532 ounces at an average realised price of US\$913 per ounce for the half-year which were in excess of produced gold due to opening dore inventory balances.

BioGold

Sino Gold acquired the BioGold Facility in late 2007, which purchases gold concentrates and produces refined gold. Since acquiring the operation, Sino Gold has implemented a number of significant strategic changes that simplify and reduce the risk of the operation.

During the half-year BioGold treated 8,766 tonnes of non-refractory material in the CIL circuit and 7,952 tonnes of refractory material in the BacOx circuit to produce 23,342 ounces of gold bullion and 7,323 ounces of gold equivalent.

For the six months to 30 June 2008, BioGold realised an average US\$915/ounce of gold and a net tolling profit margin of approximately US\$50/ounce of gold.

The expansion to double BacOx treatment capacity at the facility is being commissioned and a base load supply for the expanded BacOx plant has been secured under a long-term concentrate supply contract.

White Mountain

Development of the 95% owned White Mountain Gold Project in Jilin Province is on schedule for the first gold pour in late 2008. The overall project construction status is approximately 70% complete. Development ore from the initial underground stopes is on-track to be mined from August. The first stoping block in the southern portion of the ore body has been accessed and stope development has commenced.

A total of US\$29 million of the budgeted project development cost had been incurred by 30 June 2008.

Beyinhar

Permitting is being advanced and a draft Board Feasibility Review is being finalised. This document is aimed at providing Sino Gold's Board the information required to approve development of a 2.5 million tonne per annum, heap-leach operation. Current expectations are that the project could commence production in the northern hemisphere spring of 2010.

Eastern Dragon

Eastern Dragon is a high-grade deposit in northern China's Heilongjiang Province that has potential to produce gold at very low costs. The deposit is a high-grade, low-sulphidation epithermal gold-silver deposit with mineralisation identified over a strike length of 600m and to a depth of 250m.

Sino Gold completed the acquisition of an initial 72% interest in the Eastern Dragon Lode 5 gold-silver deposit with the payment of the remaining \$45 million of the US\$90 million acquisition cost in April 2008. In June 2008, Sino Gold increased its interest in the Eastern Dragon Joint Venture to 80% at a cost of US\$11 million.

A Chinese exploration Brigade had identified a resource to Chinese standards however further confirmation work is required prior to reporting a Mineral Resource in accordance with internationally accepted standards including Australasia's JORC Code. During the half-year Sino Gold commenced field work at Eastern Dragon which included extensive re-assay testing of previous drill core, trenches and aditing. The results of this work correlate very well with the previous assay results on which Sino Gold based its investment decision.

Hedging

As part of the Jinfeng Project Loan, the Jinfeng project was required to enter into a hedging program. In early June 2008, Sino Gold completed the close-out of all of the Company's gold forward sales contracts and put options. Following this transaction, Sino Gold has total exposure to gold prices and the Company does not anticipate putting in place any further gold hedging.

The close-out cost of A\$125 million is capitalised on the balance sheet in a hedge reserve account within equity. Hedge accounting requires that this cost is amortised and brought to account in accordance with the original hedge designation dates. The hedging amortisation charges are disclosed in a separate pre-tax line item in the Income Statement and do not form part of operating profit.

Issued Capital

Following shareholder approval at an Extraordinary General Meeting held on 24 January 2008, the company completed the second tranche of a share placement of 16,669,459 shares at A\$6.45 per share.

Also in January 2008, 821,772 shares were issued as a result of the compulsory acquisition of the balance of Golden China Resources Corporation shares pursuant to the takeover offer for all of the issued common shares in Golden China set out in a prospectus dated 24 October 2007.

In March 2008 a total of 2,223,897 shares were issued in consideration for the repurchase of Golden China 11.5% debentures with a total value of C\$14.0 million.

In May 2008 the company issued 11.0 million shares to Gold Fields Australasia (BVI) Limited at A\$5.03 per share as the first tranche of the share placement announced on 20 May 2008.

In June 2008 a total of 33,968,847 shares were issued at A\$4.00 per share raising A\$135.9 million pursuant to an Accelerated Renounceable Entitlement Offer announced on 20 May 2008.

Also in June 2008 the company issued 2,586,378 shares to Gold Fields Australasia (BVI) Limited at A\$5.00 per share as the second tranche of the share placement announced on 20 May 2008.

Directors' Report

In addition, during the half-year a total of 633,951 ordinary shares were issued on the exercise of unlisted options details of which are as follows:

- 470,000 shares at A\$2.00 per share
- 80,000 shares at A\$2.08 per share
- 40,000 shares at A\$2.69 per share
- 43,951 shares at A\$4.14 per share

The Company has not redeemed any of its shares during the six months ended 30 June 2008. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

At 30 June 2008 Sino Gold had 291,336,627 ordinary shares and 10,377,420 unlisted options and warrants on issue.

Interests in Shares and Options of the Company and Related Bodies Corporate

As at the date of this report, the interests of the directors in the shares and options of Sino Gold Mining Limited were:

	Ordinary Shares*	ESIS Shares*	Employee Options
James Askew – Chairman	140,000	–	–
Jacob Klein – CEO	1,559,800	1,650,000	1,750,000
Xu Hanjing	306,666	600,000	1,325,000
Peter Cassidy	185,675	–	–
Brian Davidson	266,725	–	–
Peter Housden	11,333	–	120,000
Liangang Li	–	–	–
Thomas McKeith	–	–	120,000

* Shares issued pursuant to the Employee Share Incentive Scheme ("ESIS").

As at the date of this report, the names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Ordinary Shares
Gold Fields Limited	57,968,029
Merrill Lynch & Co Inc	21,066,874
Commonwealth Bank of Australia	21,416,826

Corporate Governance

Throughout the half-year ended 30 June 2008 the Company has complied with the provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong ("SEHK").

During the half-year ended 30 June 2008 the Company has, in respect of the Model Code set out in Appendix 10 of the SEHK Listing Rules:

- (a) adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code; and
- (b) there has been no instance of non-compliance with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions.

Audit Committee

The Group's half-year report for the six months ended 30 June 2008 has been reviewed by the audit committee. The audit committee notes the ongoing interpretation under International Financial Reporting Standards which deems certain share options to be derivative liabilities rather than equity and the resultant impact of this on the balance sheet and income statement of the Company as disclosed above.

Rounding

The amounts contained in this report and in the half-year financial report have been rounded to the nearest A\$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the Class Order applies.



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Auditor's Independence Declaration to the Directors of Sino Gold Mining Limited

In relation to our review of the financial report of Sino Gold Mining Limited for the half-year ended 30 June 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A stylized, handwritten signature of 'Ernst & Young' in a cursive script.

Ernst & Young

A handwritten signature of Paul Flynn in a cursive script.

Paul Flynn
Partner
15 August 2008

Liability limited by a scheme approved
under Professional Standards Legislation

Signed in accordance with a resolution of the directors.

A handwritten signature of J. Askew in a cursive script.

J. Askew
Chairman
Sydney, 15 August 2008

A handwritten signature of J. Klein in a cursive script.

J. Klein
CEO

Condensed Income Statement

Half-year ended 30 June 2008

	Notes	CONSOLIDATED	
		Half-year to 30 June 2008 A\$000	Half-year to 30 June 2007 A\$000
Revenue from sale of gold	2	92,906	–
Other operating revenue		7,274	–
Cost of sales	2	(68,328)	–
Mine operating earnings		31,852	–
Corporate expenses	2	(8,779)	(4,849)
Other operating expenses	2	(5,172)	(1,500)
Operating profit/(loss) before other income/(expense)		17,901	(6,349)
Other income/(expense):			
Other income	2	4,818	4,068
Gain on fair value of vested share options – derivative	2	1,296	4,287
Finance costs	2	(3,371)	(5,123)
Profit/(loss) before hedging and tax		20,644	(3,117)
Hedging loss – pre-close-out	2	(11,045)	–
Amortisation of hedge close-out	2	(5,310)	–
Profit/(loss) before income tax		4,289	(3,117)
Income tax expense		(5,938)	–
Net loss after tax for the period		(1,649)	(3,117)
Attributed to:			
Outside equity interests		1,012	–
Members of the parent		(2,661)	(3,117)
Basic loss per share (cents per share)		(0.91)	(1.72)
Diluted loss per share (cents per share)		(0.91)	(1.72)

Balance Sheet

As at 30 June 2008

	Notes	CONSOLIDATED	
		As at 30 June 2008 A\$000	As at 31 December 2007 A\$000
CURRENT ASSETS			
Cash and cash equivalents		81,342	38,967
Restricted cash	5(b/c)	116,040	69,986
Trade and other receivables		5,441	5,196
Inventories		21,310	35,529
Prepayments		17,910	6,453
TOTAL CURRENT ASSETS		242,043	156,131
NON-CURRENT ASSETS			
Receivables		1,296	1,331
Other financial assets		6,830	11,381
Property, plant and equipment	3	325,758	304,862
Deferred exploration, evaluation and development costs	4	335,367	311,011
TOTAL NON-CURRENT ASSETS		669,251	628,585
TOTAL ASSETS		911,294	784,716
CURRENT LIABILITIES			
Trade and other payables	5	66,311	101,766
Provisions		861	783
Interest bearing liabilities	6	129,303	106,998
Derivatives	7	3,271	29,216
TOTAL CURRENT LIABILITIES		199,746	238,763
NON-CURRENT LIABILITIES			
Interest bearing liabilities	6	26,868	34,547
Provisions		22,668	24,546
Deferred tax liabilities		7,155	4,073
Derivatives	7	–	95,755
TOTAL NON-CURRENT LIABILITIES		56,691	158,921
TOTAL LIABILITIES		256,437	397,684
NET ASSETS		654,857	387,032
EQUITY			
Issued capital	8	856,741	527,970
Accumulated losses		(90,463)	(87,802)
Hedge reserve		(119,374)	(121,548)
Other reserves		(44,218)	6,566
Total parent entity interest in equity		602,686	325,186
Outside equity interests		52,171	61,846
TOTAL EQUITY		654,857	387,032

Cash Flow Statement

Half-year ended 30 June 2008

	CONSOLIDATED	
	Half-year to 30 June 2008 A\$000	Half-year to 30 June 2007 A\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	100,108	–
Payments to suppliers, employees and others	(76,994)	(5,178)
Interest received	1,305	2,681
Interest paid	(4,349)	(5,181)
Other	(633)	(263)
NET CASH FLOWS FROM OPERATING ACTIVITIES	19,437	(7,941)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(25,469)	(271)
Eastern Dragon acquisition payment	(66,264)	–
Payments for exploration, evaluation and development	(37,513)	(58,050)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(129,246)	(58,321)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	311,076	171,007
Share issue costs	(4,200)	(10,752)
Proceeds from borrowings	56,159	43,803
Proceeds from repayment of employee loans	22	1,196
Repayment of loans	(16,613)	–
Hedging costs pre-close-out	(11,045)	–
Hedging close-out cost	(124,519)	–
NET CASH FLOWS FROM FINANCING ACTIVITIES	210,880	205,254
NET INCREASE IN CASH HELD	101,071	138,992
Cash and cash equivalents (including restricted cash) at beginning of period	108,953	21,505
Effects of exchange rate changes on cash	(12,642)	(6,957)
CASH AND CASH EQUIVALENTS (INCLUDING RESTRICTED CASH) AT END OF PERIOD	197,382	153,540
Cash and cash equivalent	81,342	100,518
Restricted cash	116,040	53,022
CASH AND CASH EQUIVALENTS (INCLUDING RESTRICTED CASH) AT END OF PERIOD	197,382	153,540

Condensed Statement of Changes in Equity

Half-year ended 30 June 2008

CONSOLIDATED	Issued capital A\$'000	Convertible notes equity component A\$'000	Accumulated losses A\$'000	Hedge reserve A\$'000	Other reserves A\$'000	Outside equity interests A\$'000	Total A\$'000
At 1 January 2008	527,970	–	(87,802)	(121,548)	6,566	61,846	387,032
Currency translation differences	–	–	–	8,545	(47,629)	2,379	(36,705)
Effective hedging loss charged to the income statement	–	–	–	16,355	–	–	16,355
Effective hedging closure loss on balance sheet	–	–	–	(22,726)	–	–	(22,726)
Loss on available for sale financial assets	–	–	–	–	(4,759)	–	(4,759)
Total income/(expense) for the period recognised directly in equity	–	–	–	2,174	(52,388)	2,379	(47,835)
Profit/(loss) for the period	–	–	(2,661)	–	–	1,012	(1,649)
Total income/(expense) for the period	–	–	(2,661)	2,174	(52,388)	3,391	(49,484)
Allotment of new shares	328,313	–	–	–	–	–	328,313
Exercise of options	1,396	–	–	–	–	–	1,396
Share issue costs	(4,200)	–	–	–	–	–	(4,200)
Cost of share based payments	–	–	–	–	3,227	–	3,227
Acquisition of outside equity interest – Eastern Dragon	–	–	–	–	(249)	(11,178)	(11,427)
Acquisition of outside equity interest – Golden China	3,262	–	–	–	–	(3,262)	–
Recognition of outside equity interest share of net assets	–	–	–	–	(1,374)	1,374	–
At 30 June 2008	856,741	–	(90,463)	(119,374)	(44,218)	52,171	654,857

Condensed Statement of Changes in Equity

Half-year ended 30 June 2008

CONSOLIDATED	Issued capital A\$'000	Convertible notes equity component A\$'000	Accumulated losses A\$'000	Hedge reserve A\$'000	Other reserves A\$'000	Outside equity interests A\$'000	Total A\$'000
At 1 January 2007	168,259	3,228	(64,305)	(77,135)	(10,208)	34,074	53,913
Currency translation differences	–	–	–	–	(11,386)	–	(11,386)
Movement in fair value of cashflow hedges	–	–	–	(1,281)	–	–	(1,281)
Total income/(expense) for the period recognised directly in equity	–	–	–	(1,281)	(11,386)	–	(12,667)
Loss for the period	–	–	(3,117)	–	–	–	(3,117)
Total income/(expense) for the period	–	–	(3,117)	(1,281)	(11,386)	–	(15,784)
Share issue costs	(11,672)	–	–	–	–	–	(11,672)
Allotment of new shares	169,391	–	–	–	–	–	169,391
Exercise of options	1,616	–	–	–	–	–	1,616
Cost of share based payments	–	–	–	–	1,538	–	1,538
Outside equity interest uplift in development and production assets	–	–	–	–	–	8,674	8,674
At 30 June 2007	327,594	3,228	(67,422)	(78,416)	(20,056)	42,748	207,676

Notes to the Half-Year Financial Statements

30 June 2008

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Corporate information

The financial report of Sino Gold Mining Limited (the Company) for the half-year ended 30 June 2008 was authorised for issue on 15 August 2008 in accordance with a resolution of the directors. Sino Gold Mining Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange and the Main Board of The Stock Exchange of Hong Kong Limited.

Summary of significant accounting policies

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Sino Gold Mining Limited as at 31 December 2007.

It is also recommended that the half-year financial report be considered together with any public announcements made by Sino Gold Mining Limited and its controlled entities during the half-year ended 30 June 2008 in accordance with the continuous disclosure obligations under the Corporations Act 2001.

(a) Basis of preparation

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared in accordance with the historical cost convention except for derivative financial instruments and vested share options which have been measured at fair value. The half-year financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (A\$'000) unless otherwise stated under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the class order applies.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements, with the exception of the policy explained below, for the year ended 31 December 2007. There have been no changes in accounting policies as a result of the adoption of amending standards mandatory for annual reporting periods beginning on or after 1 January 2008.

(c) Change in hedge disclosure

During the six months the Company closed out its gold hedge book and does not anticipate entering into any further gold hedging. As a result, the Company has amended its disclosures within the profit and loss associated with the loss on gold hedges. Previously the loss on gold hedges would have been recognised within "Revenue from gold sales" as the underlying hedged transactions occur, instead the company is recognising the hedging loss pre-close out and amortization of the hedge close-out for the period of A\$11.0 million and A\$5.3 million, respectively, as separate lines within the profit and loss. The Company believes that this revised disclosure is more relevant and will enable a more accurate year on year comparison of the results of the underlying operations.

This change in disclosure has had no impact on the comparative period disclosures, as no revenue from gold sales were recognised for the previous period.

Notes to the Half-Year Financial Statements

30 June 2008

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Sino Gold Mining Limited and its subsidiaries ("the Group" or "Sino Gold"). The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

	CONSOLIDATED	
	Half-year to 30 June 2008	Half-year to 30 June 2007
	A\$000	A\$000
2 LOSS FROM ORDINARY ACTIVITIES		
Profit (loss) from ordinary activities:		
(i) Revenues from ordinary activities		
Revenue from sale of gold	92,906	–
Other operating revenue*	7,274	–
<i>* relate to silver and other BioGold by-products sales</i>	100,180	–
(ii) Cost of sales		
Operating costs	61,826	–
Depreciation and amortisation	6,502	–
	68,328	–
(iii) Corporate expenses		
Depreciation and amortisation	195	57
Employee benefits	1,698	493
Share-based payments expense	3,227	1,220
Administration costs	3,659	3,075
Other operating revenue	–	4
	8,779	4,849
(iv) Other operating expenses		
Deferred exploration costs written off	1,128	702
Loss on ineffective hedges	–	798
Rehabilitation costs	1,284	–
Royalties paid	2,760	–
	5,172	1,500
(v) Other income		
Interest revenue	1,321	2,681
Sundry income	395	–
Foreign exchange gain	3,102	1,387
	4,818	4,068
(vi) Finance costs		
Interest paid and charged*	2,908	4,687
Other borrowing costs	463	436
	3,371	5,123

* Under the Standby L/C facilities RMB lending is secured by cash held on deposit that earns interest by the parent entity. This interest income is, on consolidation, netted against the interest paid on the RMB lending.

	CONSOLIDATED	
	Half-year to 30 June 2008 A\$000	Half-year to 30 June 2007 A\$000
(vii) Gain on fair value of vested share options – derivatives		
Gain on fair value of vested share options – derivatives	1,296	4,287
(viii) Hedging loss		
Hedging loss* – pre-close-out	(11,045)	–
Amortisation of hedge close-out	(5,310)	–

* In early June 2008, Sino Gold completed the close-out of all of the Company's gold forward sales contracts. Following this transaction, Sino Gold is totally exposed to gold price movements and the Company does not anticipate putting in place any further gold hedging.

The close-out cost of US\$118.6 million (A\$125 million) is recognised in a hedge reserve account within equity. Hedge accounting requires the cost to be brought to account at the original hedge designated dates. The spot gold price realised will be recognised as sales revenue in the Income Statement. The non-cash hedging losses form a separate pre-tax line item in the Income Statement that does not form part of the operating profit. The hedging loss for this period was A\$16.4 million.

	CONSOLIDATED	
	As at 30 June 2008 A\$000	As at 31 December 2007 A\$000

3. PROPERTY PLANT & EQUIPMENT

Plant, equipment and leasehold

Opening book value	304,862	226
Transfer from deferred exploration & development costs	–	216,676
Additions	34,114	78,912
Acquisition of subsidiary	–	15,659
Disposals	–	(108)
Foreign exchange adjustment	(6,645)	(3,098)
Depreciation for period	(6,573)	(3,405)
Net book value	325,758	304,862

Notes to the Half-Year Financial Statements

30 June 2008

	CONSOLIDATED	
	As at 30 June 2008 A\$000	As at 31 December 2007 A\$000
4. DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT COSTS		
Opening book value*	311,011	240,074
Transferred to production	–	(216,676)
Additions	34,680	29,104
Acquisition of Golden China Resources Corporation	–	117,261
Acquisition of Eastern Dragon assets	–	143,407
Deferred exploration costs written off	(1,128)	(1,545)
Foreign exchange adjustment	(9,196)	(614)
Net book value	335,367	311,011

* A fair value uplift on acquisition of Eastern Dragon of A\$39.7 million has been recognised as at 31 December 2007 and the 31 December 2007 balance sheet has been adjusted to reflect this. This has resulted in a restatement of Deferred Exploration, Evaluation and Development costs, Other Reserves and Outside Equity Interests as of 31 December 2007 with the corresponding impact on both Net Assets and Net Equity.

	CONSOLIDATED	
	As at 30 June 2008 A\$000	As at 31 December 2007 A\$000
5. PAYABLES – CURRENT		
Trade creditors*	19,109	23,805
Accruals	30,110	19,179
Eastern Dragon acquisition	–	51,044
Other creditors and accruals	17,092	7,738
	66,311	101,766
*Aged trade creditors		
Less than 30 days	11,432	14,970
30 days to 60 days	5,176	5,112
60 days to 90 days	1,944	1,798
Greater than 90 days	557	1,925
	19,109	23,805

	CONSOLIDATED	
	As at 30 June 2008 A\$000	As at 31 December 2007 A\$000
6. INTEREST BEARING LIABILITIES		
– Current		
Jinfeng Project Loan (a)	9,246	10,889
Jinfeng Standby L/C Loan (b)	56,423	60,339
Eastern Dragon Standby L/C Loan (c)	48,483	–
Golden China Resources Corporation Debentures	–	19,264
BioGold short term loan (d)	15,151	15,531
Deferred gold put option premium	–	975
	129,303	106,998
– Non-current		
Jinfeng Project Loan (a)		
Principal	27,106	34,247
Un-amortised borrowing costs	(820)	(993)
	26,286	33,254
BioGold long term loan (d)	582	597
Deferred gold put option premium	–	696
	26,868	34,547
Total interest bearing liabilities	156,171	141,545
Less restricted cash	(116,040)	(69,986)
Net interest bearing liabilities	40,131	71,559

(a) Jinfeng Project Loan – this financing facility is arranged and jointly underwritten by Standard Bank London Limited and Bayeriisch Hypo-und Vereinsbank AG for US\$40 million plus US\$2 million capitalised interest. Quarterly repayments commenced in 31 December 2007 and the loan is scheduled to be repaid by 30 June 2012. Interest rate is LIBOR plus 3.25% margin pre-financial completion and 2.75% margin after financial completion.

The facility is secured against the following:

- Mortgage on all present and future immovable assets in the project;
- Pledge over all present and future movable equipment in the project;
- Pledge over the projects land use right, mining license, exploration license and operating permits; and
- Pledge over all material project contracts.

In addition, the Company and Sino Mining Guizhou Pty Limited has guaranteed until completion of the project construction, a first ranking charge over all shares of the Company in Sino Mining Guizhou Pty Limited and a first ranking pledge of the interest of Sino Mining Guizhou Pty Limited in the borrower.

At 30 June 2008 the outstanding principal amount was US\$35.0 million (A\$36.4 million).

Notes to the Half-Year Financial Statements

30 June 2008

(b) Jinfeng Standby L/C loan – The company has secured a standby cash collateralised L/C facility issued by its bankers to secure advances made by China Construction Bank, Guizhou Branch to the Jinfeng Project. Restricted cash held on deposit as security for this facility at 30 June 2008 was US\$61.7 million (A\$64.1 million).

RMB	A\$	Maturity	Annual interest rate
RMB'000	\$'000		
20,200	3,061	4/07/2008	7.56%
33,800	5,121	30/07/2008	6.67%
28,600	4,333	15/08/2008	6.93%
69,410	10,517	10/09/2008	6.93%
24,340	3,688	15/09/2008	6.93%
42,150	6,386	15/10/2008	6.93%
19,500	2,954	3/12/2008	7.10%
62,700	9,500	15/02/2009	7.10%
30,000	4,545	11/03/2009	7.56%
29,700	4,500	15/04/2009	7.56%
12,000	1,818	14/05/2009	7.56%
Total	56,423		

(c) Eastern Dragon Standby L/C loan – The company has secured a standby cash collateralised L/C facility issued by its bankers to secure advances made by China Construction Bank, Heilongjiang Branch to the Eastern Dragon Project. The interest rate for this loan is currently 7.47%. Restricted cash held on deposit as security for this facility at 30 June 2008 was US\$50.0 million (A\$51.9 million).

(d) BioGold RMB short-term and long-term loans are domiciled in China and secured by mortgages over BioGold's land and buildings and concentrate stockpile. The overall loan facility is split into several smaller components with various expiry dates as detailed below, and these smaller loan components are rolled over at each maturity.

RMB	A\$	Maturity	Annual interest rate
RMB'000	\$'000		
Short term			
10,000	1,515	8/09/2008	7.29%
10,000	1,515	5/11/2008	7.29%
10,000	1,515	26/11/2008	7.29%
20,000	3,030	22/12/2008	6.75%
10,000	1,515	31/03/2009	7.84%
20,000	3,030	1/04/2009	7.84%
20,000	3,031	9/04/2009	7.84%
	15,151		
Long term			
3,840	582	26/03/2021	3.78%
Grand total	15,733		

CONSOLIDATED	
As at 30 June 2008 A\$000	As at 31 December 2007 A\$000

7. DERIVATIVES

– Current

Fair value of non-employee vested share options	3,271	2,456
Fair value of gold forward contracts & options	–	26,760
	3,271	29,216

– Non-current

Fair value of non-employee vested share options	–	2,475
Fair value of gold forward contracts & options	–	93,280
	–	95,755

8. ISSUED CAPITAL

Ordinary shares		
Issued and fully paid	856,741	527,970

	Number of shares '000	A\$000
Movements in ordinary shares on issue		
At 1 January 2008	223,432	527,970
Issue of shares	67,271	331,575
Exercise of options	634	1,396
Share issue and transaction costs	–	(4,200)
Closing balance	291,337	856,741

9. CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2008.

10. DIVIDENDS PAID AND PROPOSED

No dividends have been paid or proposed for the half-year to 30 June 2008.

11. SEGMENT INFORMATION

The group operates entirely in the mining industry and in the sole geographical area of China. The operations comprise the mining and processing of gold ore and the sale of extracted gold.

12. SUBSEQUENT EVENTS

There have been no significant events occurring after balance date which may affect either the company's operations or results of those operations or the company's state of affairs.

13. CAPITAL EXPENDITURE COMMITMENT

The Jinfeng underground mine is under construction and the estimated capital costs to completion including various surface works totals US\$35.1 million. These costs relate to orders and contracts in relation to underground mobile fleet purchases, backfill plant construction, shaft sinking activities, underground development and surface works.

The group is constructing its second gold mine, the White Mountain project in the Jilin Province PRC which has an original capital cost estimate of approximately US\$55.0 million of which approximately US\$29.0 million had been spent to 30 June 2008. Renminbi appreciation and increasing input costs have put the US\$55.0 million capital cost guidance at risk by up to 15%. The company has arranged sufficient funding to ensure that the balance of the commitment will be met.

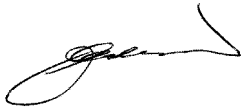
Directors' Declaration

In accordance with a resolution of the directors of Sino Gold Mining Limited, we state that:

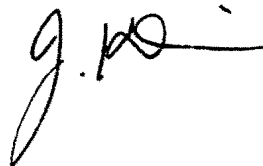
In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 30 June 2008 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'J. Askew'.

J. Askew
Chairman

A handwritten signature in black ink, appearing to be 'J. Klein'.

J. Klein
CEO

Sydney, 15 August 2008

Independent Audit Review Report



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

To the members of Sino Gold Mining Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sino Gold Mining Limited, which comprises the balance sheet as at 30 June 2008, and the condensed income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

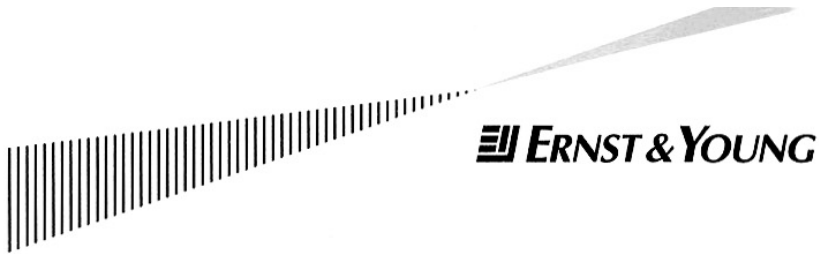
The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Sino Gold Mining Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Audit Review Report



2

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report. The Auditor's Independence Declaration would have been expressed in the same terms if it had been given to the directors at the date this auditor's report was signed.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Sino Gold Mining Limited is not in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Paul Flynn
Partner
Sydney
15 August 2008

Corporate Information

Directors

James Askew – Chairman
 Jacob Klein – President and CEO
 Xu Hanjing – Executive Director
 Peter Cassidy – Independent Non-Executive Director
 Brian Davidson – Independent Non-Executive Director
 Peter Housden – Independent Non-Executive Director
 Liangang Li – Non-Executive Director
 Thomas McKeith – Non-Executive Director

Audit Committee

Brian Davidson
 Peter Housden

Remuneration and Nomination Committee

Brian Davidson
 James Askew
 Peter Cassidy

Risk Management Committee

Peter Cassidy
 Brian Davidson
 James Askew

Company Secretary

Australia – Ivo Polovineo
 Hong Kong – Jane Chan Yuen Bik

Authorised Representative

Australia – Ivo Polovineo
 Hong Kong – Dennis Chi Ho Ng

Compliance Advisor

Somerley Limited
 10th Floor
 Hong Kong Club Building
 3A Chater Road
 Central
 Hong Kong

Registered Office

Australia (Principal Place of Business)
 Sino Gold Mining Limited
 Level 22
 44 Market Street, Sydney NSW 2000
 Australia
Hong Kong
 Sino Gold Mining Limited
 31st Floor, Gloucester Tower
 The Landmark, Central
 Hong Kong

Auditors

Ernst & Young
 680 George Street, Sydney NSW 2000
 Australia

Solicitors

Deacons
 1 Alfred Street, Circular Quay, Sydney NSW 2001
 Australia

Share Registry

Registries Limited
 Level 2
 28 Margaret Street, Sydney NSW 2000
 Australia

Computershare Hong Kong
 Investor Special Services Limited
 Shops 1712-1716, 17th Floor, Hopewell Centre
 183 Queen's Road East, Wanchai
 Hong Kong

Stock Exchange Codes

Australian Stock Exchange: SGX
 Hong Kong Stock Exchange: 1862

Web Site

www.sinogold.com.au

NOTES

In this report the words 'Sino Gold', 'the Group' or 'the Company' are used to refer to Sino Gold Limited and/or its related bodies corporate and 'Gold Fields' is used to refer to Gold Fields Limited and/or its related bodies corporate. All currency is expressed in Australian dollars unless otherwise indicated. All weights expressed in ounces are troy ounces.

The information contained in this report has been prepared using the information available to Sino Gold at the time of preparation. This report contains forward-looking statements that were based on expectations, estimates and projections as of the date of this report. Any forward-looking statement is subject to known and unknown factors which may cause actual results and developments to materially differ from those expressed by, or implied by the forward-looking statements in this report.

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves of Sino Gold has been approved for release by Mr Phillip Uttley (FAusIMM), who is Sino Gold's Chief Geologist and has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code 2004 Edition). JORC is a 'recognized code and FAusIMM is a recognized designation', under Canadian reporting standard NI 43-101. Mr Uttley has also approved the potential ranges of Eastern Dragon quantities and grades which are conceptual in nature at this stage and notes there has not been sufficient information to define a Mineral Resource for Eastern Dragon in accordance with the JORC Code and NI 43-101 standards, and that it is uncertain if further exploration will result in the target being delineated as a Mineral Resource. Mr Uttley has consented to inclusion of this information in the form and context in which it appears.



Sino Gold Mining Limited

Level 22, 44 Market Street, Sydney NSW 2000 Australia
Phone: +61 2 8259 7000 Fax: +61 2 8259 7070

www.sinogold.com.au