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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))*

17 March 2009

### **UPSIDE TO BEYINHAR GOLD GRADE**

Sino Gold Limited (ASX:SGX, SEHK:1862) is pleased to announce upside to Beyinhar gold grade.

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  
Mr. Liangang Li

*\* for identification purposes only*

**Independent non-executive directors:**

Mr. James Edward Askew  
Mr. Peter William Cassidy  
Mr. Brian Henry Davidson  
Mr. Peter John Housden



17 March 2009

## UPSIDE TO BEYINHAR GOLD GRADE

### Highlights

- Interpretation of assay results from a reverse circulation (“RC”) drilling program over approximately 25% of the orebody indicates the gold grade of the Beyinhar Mineral Resource is likely to be conservative.
- Further work is now warranted to check and better quantify the potential upside to the estimated resource grade.
- This further work may materially improve the project economics.

Sino Gold Chief Executive Officer, Jake Klein, commented:

“These latest results provide likely upside in the estimated grade of the Beyinhar deposit and could have a materially positive impact on the project economics.

“The low grade of Beyinhar always meant that we had to be very confident with the grade. These results suggest that the downside is very limited and there is potentially significant upside to the gold grade.

“These results are sufficiently encouraging for Sino Gold to have commenced detailed planning for a substantial engineering and geological program in 2009 that will progress the development of the project to become Sino Gold’s fourth operating gold mine.”

In January 2009, Sino Gold released an updated Mineral Resource estimate for the Beyinhar gold deposit in Inner Mongolia totalling 69.2 million tonnes at 0.55g/t gold, containing 1.2 million ounces. This estimate is based on diamond drilling completed at a nominal 50m drill spacing, with the samples analysed using the fire assay method.

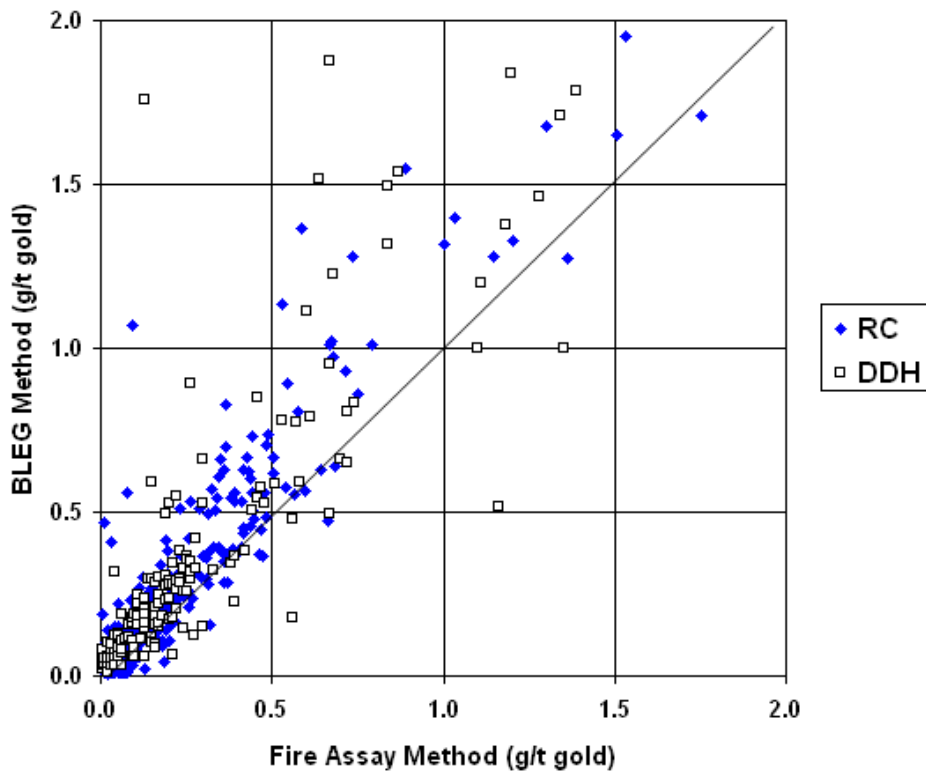
An RC drilling program was completed in late 2008 over approximately 25% of the deposit that is categorised as an Indicated Resource. The results from this RC program are not included in the Mineral Resource estimate.

The RC program totalled 3km of drilling in 28 holes and in-filled the diamond drilling of a 350m by 250m block of the oxide resource at nominal 50m drill spacing which is offset 25m by 25m from the diamond drillholes. The larger-diameter RC drillholes collected larger samples for analysis than the diamond drilling program.

The RC samples were analysed by “bottle roll” bulk-leach extractable gold (“BLEG”) and fire assay methods for comparison to the fire assay method used for analysing samples from diamond drilling at Beyinhar. The BLEG assay analysis method was chosen as it is likely to more accurately reflect the proposed heap-leach processing method by cyanide leaching.

A total of 418 samples from the RC program were also analysed using the fire assay method. For comparison, a total of 173 samples (coarse rejects) from the diamond drilling over this area were also analysed using the BLEG method.

The graph below plots the results from both assay methods for equivalent samples from the RC drillhole and diamond drillhole (“DDH”) programs.



The above graph shows that the assays from the BLEG method are consistently greater than the fire assay method.

Comparison of assay results from the RC and diamond drilling programs using various statistical methods concluded that:

- The fire assay method may have under-estimated the average BLEG grade of the test area of the Mineral Resource by 20% to 40%;
- Contributing causes to the assay variance are likely to relate to a combination of sample size, sub-sampling of the samples prior to fire assay samples, and/or presence of coarse gold; and
- Further checks using both BLEG and fire assay methods on duplicate samples are required to understand and quantify the difference as the cause is not well understood.

Overall, the RC drilling program indicates that the fire assay grades in the test area of the Mineral Resource are likely to be conservative but this will need to be tested with bulk sampling and additional drilling.

The metallurgical testwork undertaken on Beyinhar samples utilised cyanidation assay methodology similar to BLEG analysis and the resultant recovery estimates are not impacted by fire assay method potentially underestimating the grade.

Further investigations are now being planned and are likely to include:

- Analysing the RC samples by fire assay and BLEG at a different laboratory;
- Further metallurgical testwork; and
- Further bulk sampling and potential trial leaching in 2009.

Permitting is also planned to be progressed during 2009, as well an exploration program aimed at discovering additional oxide resources near the current Beyinhar resource.

## Competent Persons

The Beyinhar 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.

Mr Phillip Uttley (FAusIMM) takes responsibility for the Beyinhar exploration results and Mineral Resource estimate. Mr Uttley is a full-time employee of Sino Gold in the capacity of Chief Geologist. He is a geologist with more than 27 years relevant experience in exploration and evaluation of gold deposits.

Mr Steve Craig (MAusIMM) takes responsibility for all the information relating to the Beyinhar Ore Reserve. He is an independent consultant with Orelogy and is a mining engineer with more than 20 years relevant experience in evaluation of gold deposits

Mr Uttley and Mr Craig both:

- have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration;
- are Competent Persons as defined in the JORC Code and “qualified persons” under NI43-101; and
- consent to the publication of this information in the form and context in which it appears.

## About Beyinhar

*The Beyinhar Project is located approximately 500km northwest of Beijing in the Inner Mongolia Autonomous Region, People’s Republic of China.*

*Beyinhar is approximately 3km from a regional highway and close to grid power. The gently rolling grasslands of the project area receive very little rainfall with fairly hot summers and cold, windy winters.*

*The 15km<sup>2</sup> Beyinhar Joint Venture area is 95% owned by Sino Gold and an adjacent 33km<sup>2</sup> Exploration Licence to the southwest is 100% owned by Sino Gold.*

*Sino Gold is assessing the potential of the Beyinhar Project to be developed into an open-pit, heap-leach gold operation.*

*Beyinhar’s Mineral Resources are estimated to total 69.2 million tonnes at 0.55g/t gold (containing 1.2 million ounces) and Ore Reserves are estimated to total 27.8 million tonnes at 0.62g/t gold (containing 0.6 million ounces).*

*A Board Feasibility Review (“BFR”) undertaken during 2008 concluded that Beyinhar is an attractive investment proposition. The BFR concluded that development was an attractive investment proposition as overall gold recoveries of 85% and a cash operating cost of approximately US\$450/ounce would be achievable*

*Permitting and further studies are planned to be progressed during 2009.*

## For further information regarding Sino Gold please contact:

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