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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))*

3 August 2009

NEW JOINT VENTURE NEAR WHITE MOUNTAIN

Sino Gold Mining Limited is pleased to announce the agreement to form a new joint venture covering an Exploration Licence ("EL") immediately northeast of the Company's White Mountain Mine. Further details are 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

Independent non-executive directors:

Mr. James Edward Askew

Mr. Peter William Cassidy

Mr. Brian Henry Davidson

Mr. Peter John Housden

** for identification purposes only*



3 August 2009

SINO GOLD ANNOUNCES NEW JOINT VENTURE NEAR WHITE MOUNTAIN

Sino Gold Mining Limited (ASX: SGX, SEHK:1862) is pleased to announce an agreement to form a new joint venture covering an Exploration Licence ("EL") immediately northeast of the Company's White Mountain Mine. Several zones of gold mineralisation have already been identified by sampling adits at the Dongdapo Prospect within the EL.

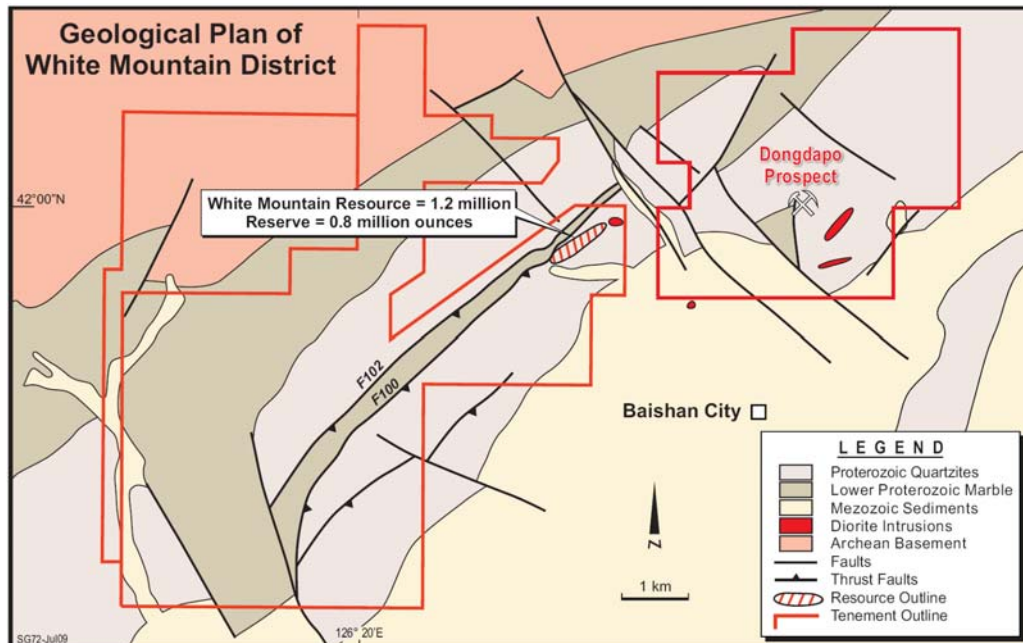
Sino Gold's CEO, Jake Klein, commented:

"This joint venture significantly enhances our near-mine exploration program. Our aim is to add significant value by discovering gold deposits within trucking distance from our new White Mountain processing facility.

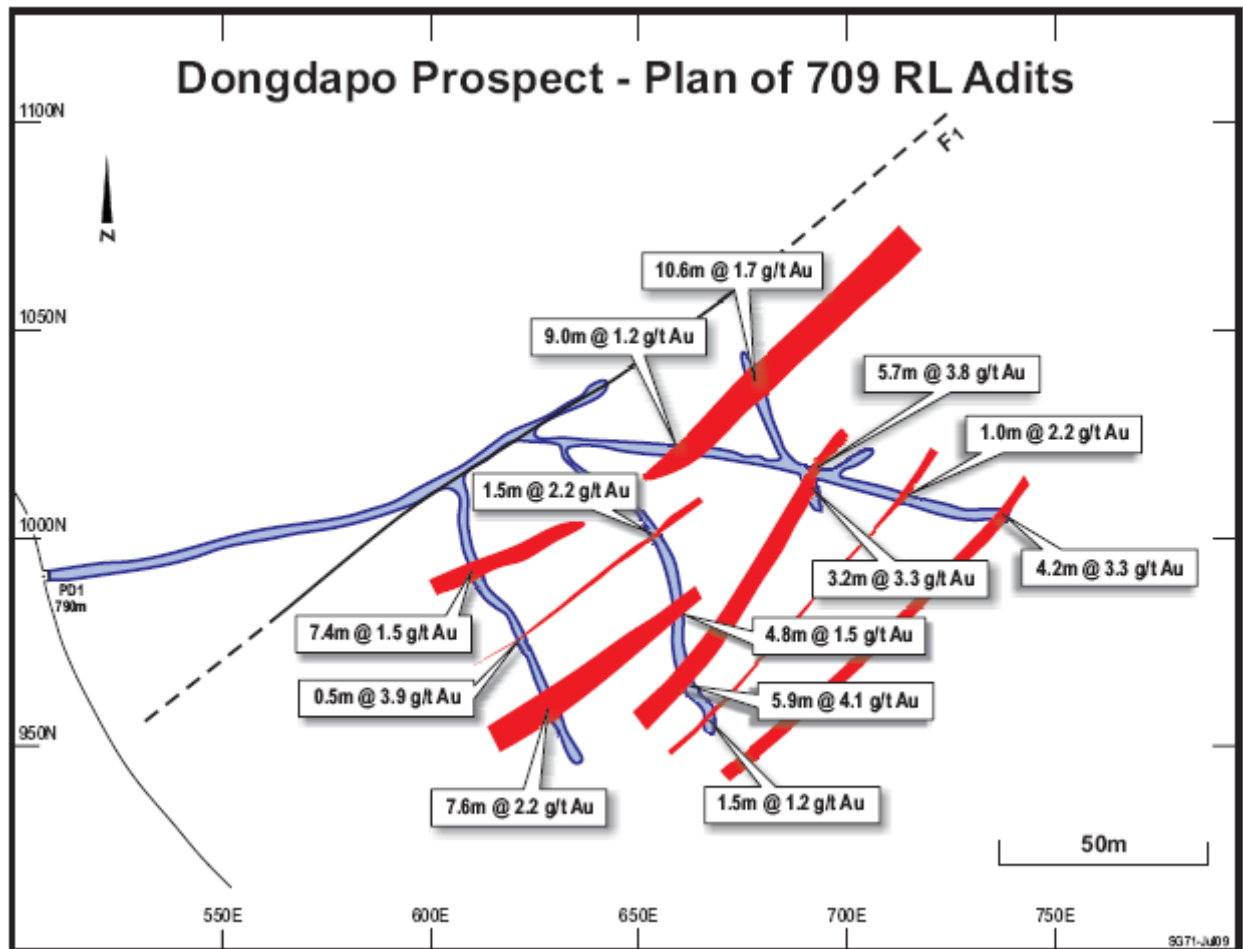
"High-grade gold mineralisation has been identified in adits at the Dongdapo Prospect, which has not yet been tested by drilling. Dongdapo is at a very similar stage of exploration to White Mountain when it was acquired. The geological setting and style of mineralisation is also very similar."

The partner of the new joint venture is Jilin Non-Ferrous Metals Brigade 602. Sino Gold will initially acquire a 75% equity interest in the joint venture for total payments of US\$2.250 million over 3 years with an initial payment of US\$1.40 million and an option to increase to 95% equity at a later date at a price established by an independent valuation.

The acquired EL covers an initial area of 29km² and is along strike from the White Mountain Mine.



Previous exploration by Brigade 602 includes mapping, geochemical surveys, trenching and limited drilling. Brigade 602 also sampled underground adits at the Dongdapo Prospect, key assay results are summarized in the diagram below.



The best channel sampling intervals are 5.9m at 4.1gt gold and 5.7m at 3.8g/t gold. The assay data from these adits was provided by Brigade 602 and the adits have not been re-sampled by Sino Gold.

Dongdapo's gold mineralisation is hosted by a silicified marble breccia which is very similar to the host rock for the White Mountain orebody. The mineralised zones have been intercepted in three cross-cuts and have a known strike length of approximately 100m. There is only one level of adit and no drilling has been done, so the vertical extent of the mineralisation has not yet been tested.

Sino Gold has commenced planning an exploration program to be undertaken following completion of this acquisition. Due to the northern hemisphere winter, it is likely that drilling will commence in the spring of 2010.

For further information regarding Sino Gold please contact:

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About Sino Gold

Sino Gold is the leading international gold exploration and mining company in China and is listed on the Australian Securities Exchange (ASX Code:SGX) and The Stock Exchange of Hong Kong (SEHK Code:1862).

The 82%-owned **Jinfeng** Gold Mine in southern China's Guizhou Province and is now the second largest gold mine in China with 2008 gold production of 151,000 ounces. Jinfeng's gold production is planned to increase as the processing plant is de-bottlenecked and as higher-grade ore from the underground mine supplements ore from the open pit.

The 95%-owned **White Mountain** Gold Mine in northeast China's Jilin Province and commenced commercial gold production in January 2009. Upon reaching design production rates, White Mountain will produce an average of 65,000 ounces of gold annually.

The high-grade **Eastern Dragon** Project in northern China's Heilongjiang Province has excellent potential to produce very low-cost gold and is being rapidly progressed towards becoming Sino Gold's third mine.

Sino Gold continues to assess the potential of the **Beyinhar** Project in Inner Mongolia to be developed into an open-pit, heap-leach gold operation.

Total gold production from the Jinfeng and White Mountain Mines for calendar 2009 is planned to be in the range of 210,000 to 230,000 ounces at a cash operating cost of less than US\$400/ounce.

With the planned development of Eastern Dragon and Beyinhar, Sino Gold is targeting annual gold production of more than 400,000 ounces at a cash cost of ~US\$300/ounce by 2012.