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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))*

7 August 2009

EASTERN DRAGON ENVIRONMENTAL IMPACT ASSESSMENT APPROVED

Sino Gold Mining Limited (ASX: SGX, SEHK:1862) is pleased to advise that the Environmental Protection Bureau of Heilongjiang Province has approved the Environmental Impact Assessment report for the Eastern Dragon Project. 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

Independent non-executive directors:

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

** for identification purposes only*



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Sino Gold Chief Executive Officer, Jake Klein, commented:

“Approval of the Environmental Impact Assessment is an important milestone for any mining project and we are delighted to have received this approval for Eastern Dragon.”

“Eastern Dragon continues its rapid progress towards becoming Sino Gold’s third operating mine. This new gold mine will provide a major boost to the local economy and we greatly appreciate the support we are receiving from the government authorities in progressing development quickly and responsibly.”

The Safety Assessment report has also been approved recently. These approvals are critical prerequisites for obtaining the Project Permit which authorises construction of the project to commence.

The No. 19 Railway Company, the earthworks contractor and open-pit contractor at Jinfeng, has recently been awarded the concrete contract as well. No. 19 Railway Company has commenced limited works at site, including mobilising a concrete batch plant in preparation for the green light for construction to commence.

Sino Gold’s Board of Directors approved the US\$65 million development of Eastern Dragon in April 2009. The operation is planned to produce an average of 90,000 ounces per annum over the first five years of production at an average cash operating cost of approximately US\$125 per ounce. First commercial gold production is anticipated in early 2011.

For further information regarding Sino Gold please contact:

Investor Enquiries: Jake Klein, CEO or Roger Howe, Investor Relations
+61 2 8259 7000, info@sinogold.com.au

Media Enquiries: Kate Kerrison
+61 2 6746 3221, kate@katekerrison.com.au

About Eastern Dragon

Eastern Dragon Lode 5 is a high-grade, low-sulphidation, epithermal, gold-silver vein deposit located in northern China's Heilongjiang Province. Sino Gold has a 95% equity interest in the Lode 5 Exploration Licence as well as a 60% interest in the entity holding the surrounding 53 km² Exploration Licence with a pre-emptive right over a further 35% interest.

The epithermal style of mineralisation at Eastern Dragon tends to form clusters of similar deposits and thus the surrounding area is considered highly prospective.

A Chinese Feasibility Study completed in early 2009 indicates that Eastern Dragon is a potentially simple combined open-pit and underground mining operation with a carbon-in-leach ("CIL") processing plant. Metallurgical testwork indicates that approximately 95% of the gold and 80% of the silver should be recoverable.

In April 2009, Sino Gold's Board approved the US\$65 million development of Eastern Dragon.

The initial Mineral Resource estimate totals 3.4 million tonnes at 7.1g/t gold and 66g/t silver, containing 0.8 million ounces gold and 7.2 million ounces silver (announced 29 January 2009).

With an initial high-grade Ore Reserve totalling 2.0 million tonnes at 8.4g/t gold and 70g/t silver (containing 0.5 million ounces gold and 4.4 million ounces silver), Eastern Dragon has excellent potential to produce gold at very low cost.

Sino Gold has set an ambitious schedule to bring Eastern Dragon into production as quickly as possible.

Competent Person

The information in this announcement which relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Dr Yumin Qiu, Member of the Australian Institute of Geoscientists, who is a full-time employee of the company in the capacity of General Manager, China Exploration and JVC. Dr Qiu has sufficient experience in relation to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking 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). Dr Qiu has consented to inclusion of that information in the form and context in which it appears.

