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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))

11 August 2009

INTERRUPTION OF OPERATIONS AT WHITE MOUNTAIN

Sino Gold Mining Limited (ASX: SGX, SEHK:1862) announces that road access to the Company's White Mountain Mine has been blocked, necessitating a suspension of operations. 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*



11 August 2009

INTERRUPTION OF OPERATIONS AT WHITE MOUNTAIN

Sino Gold Mining Limited (ASX: SGX, SEHK:1862) announces that road access to the Company's White Mountain Mine has been blocked, necessitating a suspension of operations.

The mine's main access road has been blocked by a small group of some twenty farmers who are seeking compensation on the basis that water discharged from the underground mine is causing them concern. The farmers are from a village that is located 3.5km from the mine. The farmers, who represent an extremely small portion of the local community, source their water from underground wells. A creek which runs by their village is the contentious water source.

An extensive water monitoring program is in place at White Mountain which the mine has implemented in consultation with the Environmental Protection Bureau. Recent independent testing of the water in the creek above and down stream from the mine has confirmed that claims raised by the protesters are without foundation.

The Company believes that it is not appropriate to pay compensation under these circumstances, especially as it may encourage other groups to pursue similar unsubstantiated claims.

Sino Gold has taken a non-confrontational and patient approach to these villagers in an effort to avoid intensifying the situation.

Sino Gold is working with the relevant authorities to resolve the situation and is optimistic that full gold production will resume shortly.

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.