



jinfeng mine



COO Cobb Johnstone

Jinfeng, Sino Gold's flagship project, completed construction and produced its first commissioning gold in March 2007. With planned initial production of 180,000 ounces per annum, Jinfeng will become the second largest gold mine in China. The high-grade, 4.0 million ounce gold resource provides a strong base for a long-life, low-cost operation.

The gold processing plant is the largest in China and has been designed to be readily expanded. Sino Gold is determined to increase Jinfeng's gold production to optimal levels as quickly as possible.

Jinfeng received the inaugural "Development of the Year" award at Beijing's China Mining Congress in November 2006.

JINFENG LOCATION MAP



Jinfeng is located in Guizhou Province, 236km southwest of the provincial capital Guiyang. Sino Gold holds 82% equity in the Jinfeng joint venture with several Chinese partners.

The area consists of rugged karst topography with vertical relief up to 420 metres. The climate is sub-tropical and humid

with an average annual rainfall of 1,200mm which falls primarily from May to August each year.

The Jinfeng deposit was discovered in 1986 and the project was acquired by Sino Gold in 2001. Sino Gold completed a Bankable Feasibility Study in April 2004 and construction commenced in February 2005.

Gold Reserves and Resources

Sino Gold has completed more than 125 kilometres of diamond drilling at Jinfeng.

During 2006, Ore Reserves were increased 38% to 16.4 million tonnes at 5.4g/t gold, containing 2.9 million ounces.

Drilling during 2006 extended known mineralisation along strike and down plunge.

Gold mineralisation at Jinfeng is primarily contained within the F3 Fault, which is consistently mineralised over 1,300 metres of strike and to a depth of more than 800 metres. This consistency, combined with the orebody's grade of more than 5g/t gold, enhances the project's economics with over 30,000 tonnes and 5,000 ounces of resource per vertical metre.

The planned open pit contains 1.04 million ounces and the planned underground mine contains 1.83 million ounces. The operation has a life of at least 14 years with the processing plant operating at its nominal 1.2 million tonnes per annum design capacity.

Project Parameters

The Jinfeng operation is forecast to initially comprise:

- Gold production of 180,000 ounces per annum;
- Ore throughput of 1.2 million tonnes per annum;
- Head grade of > 5g/t gold; and
- Overall gold recovery of 85%.



BIOX tanks – January 2007

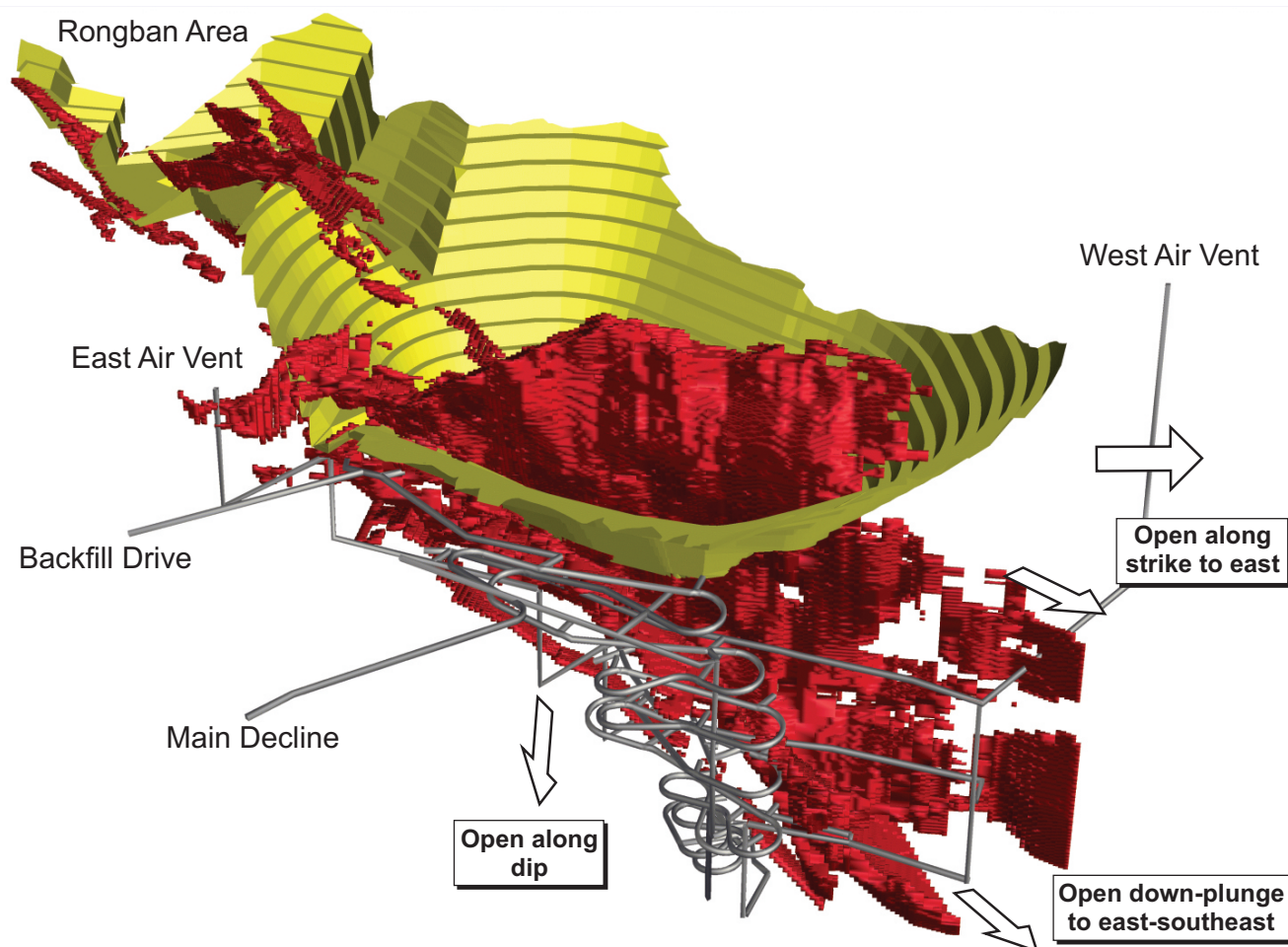


Jinfeng construction workers

Ore will initially be sourced from an open pit by a local mining contractor. A modern, efficient mining fleet will utilise new Komatsu production equipment with 63 tonne haul trucks and three 125 tonne excavators. The strip ratio of the open pit averages 14.5 to 1.

Operational flexibility will be provided by sourcing ore concurrently from an underground mine. The underground mine is planned to primarily utilise cut-and-fill mining methods initially and be accessed via a decline.

CONCEPTUAL JINFENG OPEN PIT AND UNDERGROUND DEVELOPMENT



jinfeng mine



Jinfeng plant site – April 2006

A CCD Thickeners



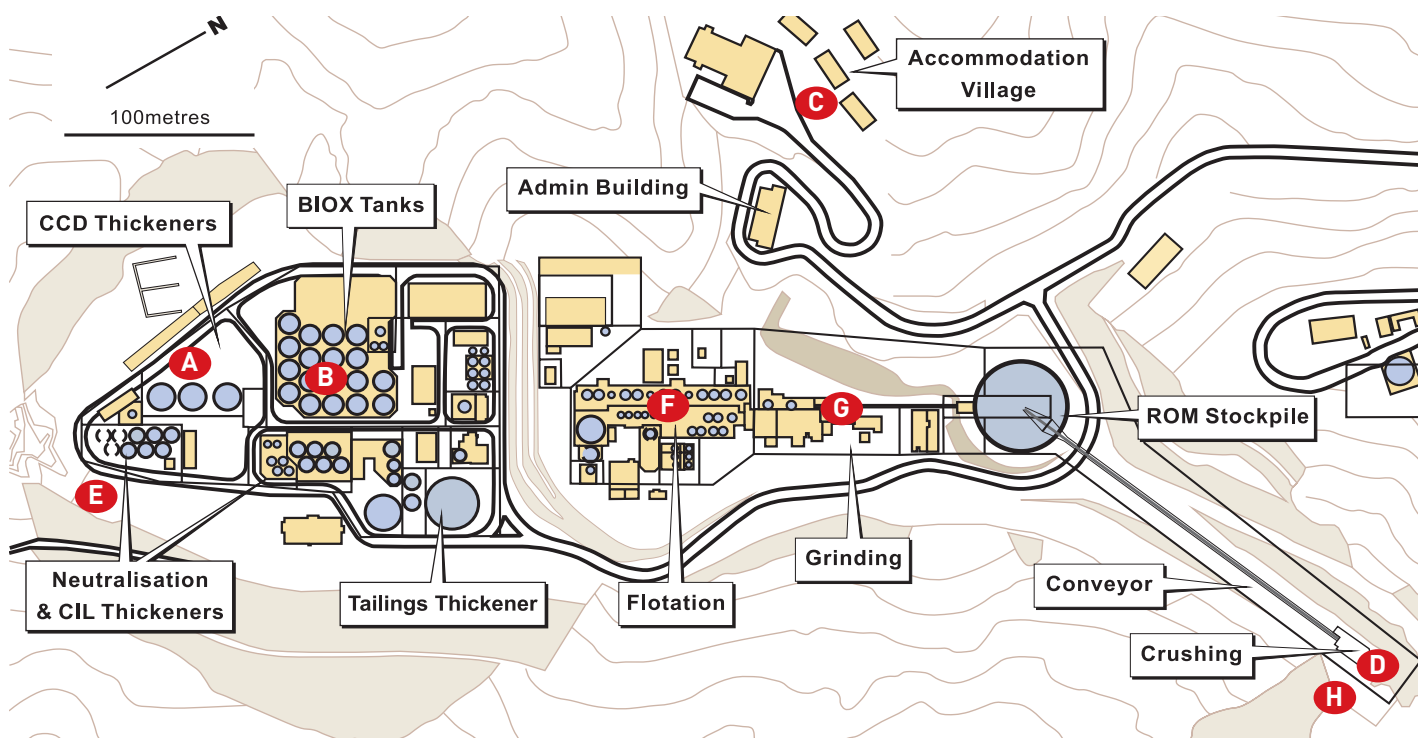
B BIOX Tanks



C Accommodation Village



D Conveyor



E Neutralisation and CIL



F Flotation Area



G Grinding Mills



H Crusher



Jinfeng Mining – January 2007



Grinding area – February 2007

rising gold star

Development of the underground mine was brought forward and commenced in late 2006. Pre-production capital to first ore production from the underground mine in the March 2008 quarter is estimated at US\$20 million.

At full capacity the underground mine is expected to operate on three main levels, each of which will have an annual production capacity of approximately 400,000 tonnes of ore.

Jinfeng ore is refractory with most of the microscopic gold particles locked up with pyrite. The ore responds well to bio-oxidation and processing will comprise:

- Ore grinding in a semi-autogenous and ball mill circuit;
- Flotation of a pyrite concentrate containing over 90% of the gold;
- Oxidation of the concentrate in a BIOX® circuit;
- Elution of gold in a standard carbon-in-leach circuit; and
- Producing gold dore in an electrowinning circuit for shipment to a refinery in China.

The layout of the plant site has been designed to accommodate an expansion of the treatment capacity.

Outlook

During the first half of 2007, the processing plant will be commissioned and the ore throughput will be ramped up to the nominal 1.2 million tonne annual design capacity. This should enable the planned gold production level of 180,000 ounces per annum to be achieved from the second half of 2007.

The decision to bring forward development of the underground mine at Jinfeng will assist in determining Jinfeng's optimal production level and maximising the project's value.

The ultimate scale of expansion to the Jinfeng processing plant will be primarily dependent on the actual performance of the current plant and the underground mining conditions.

Over the course of 2007, Sino Gold plans to assess the actual plant throughput rates achieved and underground mining conditions encountered in order to determine what modifications to the plant are necessary to achieve expanded throughput rates.

Jinfeng is a high-quality asset which will underpin the Company's rapid growth.