jinfeng exploration

Geologist Song Zhenggang

Exploration during 2006 was primarily focused on drilling to confirm and extend the Jinfeng orebody and first-pass drilling of prospects to the southwest of Jinfeng.

The Jinfeng district is highly prospective for further multi-million ounce discoveries and many promising prospects are yet to be tested by drilling.

Geological Setting

Jinfeng lies within China's "Golden Triangle" mineral district, which contains several gold resources containing in excess of one million ounces.

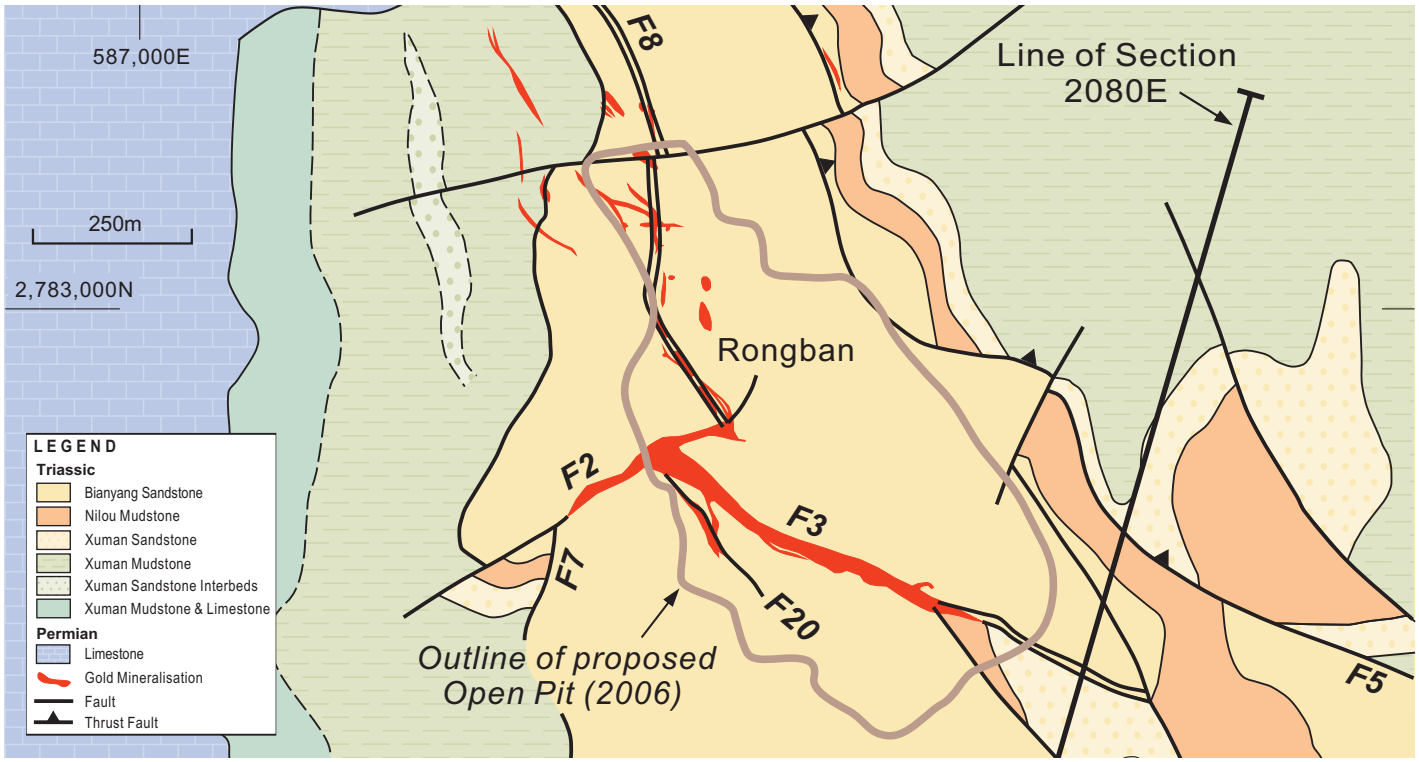
Jinfeng, the largest known Carlin-type deposit in China, lies within Triassic sedimentary rocks overlying the Permian and Carboniferous limestones of the Laizhishan Dome.

The Jinfeng orebody is a structurally controlled gold deposit with some replacement style mineralisation. The majority of the mineralisation is hosted by the major east-southeast trending high-angle F3 Fault.

The F3 Fault is linked to a major low-angle thrust fault (F7). To the west, the F3 Fault is terminated by the northeast-trending F2 Fault, which is weakly mineralised. Gold mineralisation continues northwest of the F2 into the Rongban area, similarly hosted by a series of high-angle faults and the F7 Fault.

Northeast-trending folding of the F3 and the intersection of the F3 and the F7 has focused high-grade mineralisation, which plunges east-southeast.

JINFENG MINE GEOLOGY



Crushed ore conveyor

Geologist Chen Wenbin

Drilling Outcomes

Drilling programs have continued to demonstrate the strong potential for further additions to Jinfeng's resources and reserves. These programs are comprised of:

- **Deep drilling** to extend the known Jinfeng deposit down-dip and down-plunge to the east-southeast;
- **Rongban drilling** to extend the current Jinfeng deposit to the northwest;
- **Infill drilling** to upgrade Inferred Resources and ultimately conversion to reserves; and
- **Near-mine drilling** to discover satellite gold deposits within trucking distance.

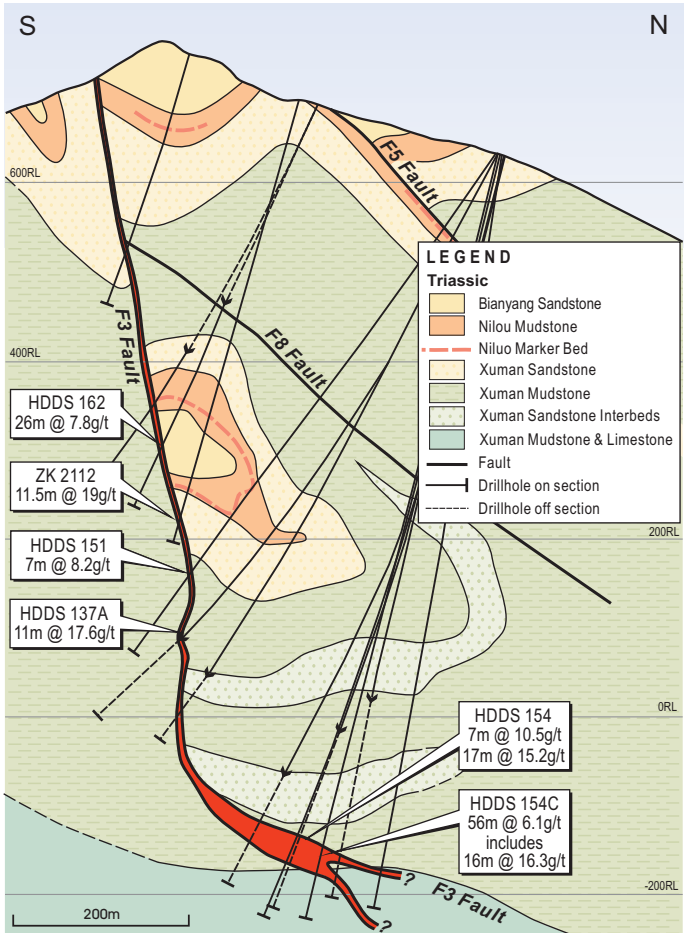
Drilling at and around Jinfeng during 2006 totalled 43 kilometres in 111 holes. This brought the total drilling completed by Sino Gold to 105 kilometres in 272 holes.

Program	2006 Number of Holes	2006 Metres Drilled	Cumulative Number of Holes	Cumulative Metres Drilled
Deep & Infill	48	25,930	154	78,148
Rongban	26	8,909	64	16,122
Regional – Jinfeng JV	7	2,271	24	4,997
Regional – Jinluo JV	30	5,896	30	5,896
Total	**111**	**43,006**	**272**	**105,163**

The **deep drilling program** continued to follow high-grade mineralisation in the F3 Fault down plunge to the east-southeast. The deepest intercepts are hosted by a favourable sandstone unit that is developing at depth. These deep intercepts are very strong, as typified by the intercept of 56 metres at 6.1g/t gold in HDDS 154C.

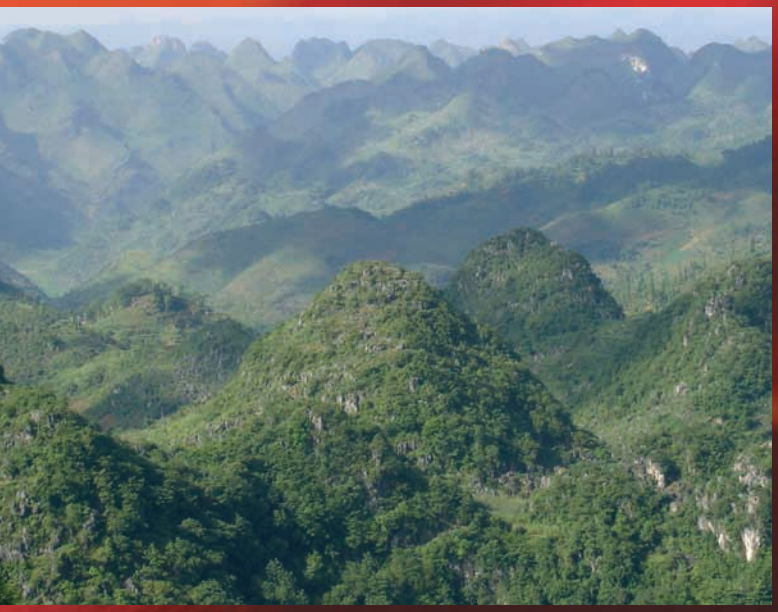
Drilling during 2006 also confirmed an additional zone of mineralisation along strike to the east-southeast and closer to surface. This zone has the potential with more drilling to provide an additional underground mining area as it is significantly above the main mineralised portion of the F3 Fault.

SECTION 2080E LOOKING WEST



Mineralisation remains open at depth and drilling during 2007 will be aimed at extending the resource further along strike and down plunge.

The **infill drilling program** provided additional confidence in the continuity of mineralisation in the main F3 Fault, upgraded resource categorisation for increased reserves, and continued to provide valuable data for mine planning.



Bannian area south of Jinfeng

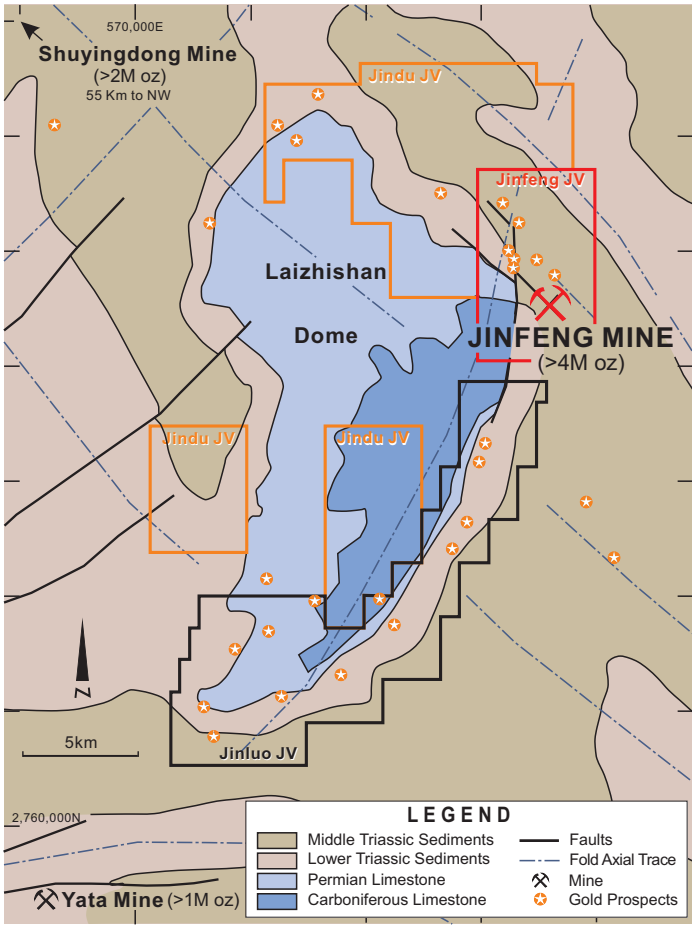
Crushed ore conveyor

The **Rongban drilling program** extended the deposit further northwest and at depth, as well as providing additional data to upgrade Inferred Resources.

Near-Mine and Regional Potential

Sino Gold has entered into three joint ventures in the Jinfeng region, covering an extensive area of more than 400km^2 around the Laizhishan Dome. These joint ventures provide Sino Gold with a dominant tenement holding in this prospective district. Sino Gold also has rights to other strategic tenements in the surrounding Golden Triangle region.

JINFENG REGIONAL EXPLORATION



The near-mine area and surrounding district are highly prospective for adding significantly to the Company's gold resources. A number of prospects are in a similar geological and structural setting to Jinfeng, as well as having geochemical and geophysical anomalies indicating the presence of strong gold mineralisation.

Regional exploration is primarily aimed at prospects near the Laizhishan Dome contact that have been defined by a combination of small-scale oxide gold mines, geophysical anomalies, and strong gold-arsenic soil, stream and trench geochemical anomalies.

Regional drilling during 2006 primarily tested prospects to the southwest of Jinfeng. First-pass drilling was undertaken at the Guobang, Weiro, Naxi and Bannian prospects during the year. Bannian is currently the most promising prospect and drilling continues to test a 1.2km long Induced Polarisation chargeability anomaly in a favourable lithological setting near intersecting mineralised northwest and northeast trending major faults.

Program for 2007

The 2007 exploration program aims to add to Jinfeng's resource base by:

- **Deep drilling** to further extend the known Jinfeng deposit down-dip and down-plunge to the east-southeast, as well as better defining known shoots at depth;
- **Near-mine drilling** to discover satellite gold deposits within trucking distance.
- **Regional exploration** to discover another multi-million ounce deposit.

Sino Gold remains very confident that the gold endowment of the Jinfeng district will provide benefits for our stakeholders for many years to come and looks forward to testing this potential further during 2007.