



white mountain



Drilling at White Mountain

White Mountain was significantly advanced towards becoming Sino Gold's next mine during 2006. Sino Gold has now completed more than 50 kilometres of drilling in 191 holes.

An initial reserve of 434,000 ounces of gold has been estimated and resources have increased to 846,000 ounces of gold. Mineralisation remains open along strike to the northeast and at depth.

The aims for 2007 are to continue increasing the reserves and resources, progressing the required approvals and potentially commencing development.

WHITE MOUNTAIN LOCATION MAP



White Mountain is located 230km south-southeast of Changchun, the capital city of Jilin Province in northeast China.

The project is located in lightly forested public land, within 2km of a newly paved concrete road that is linked to the

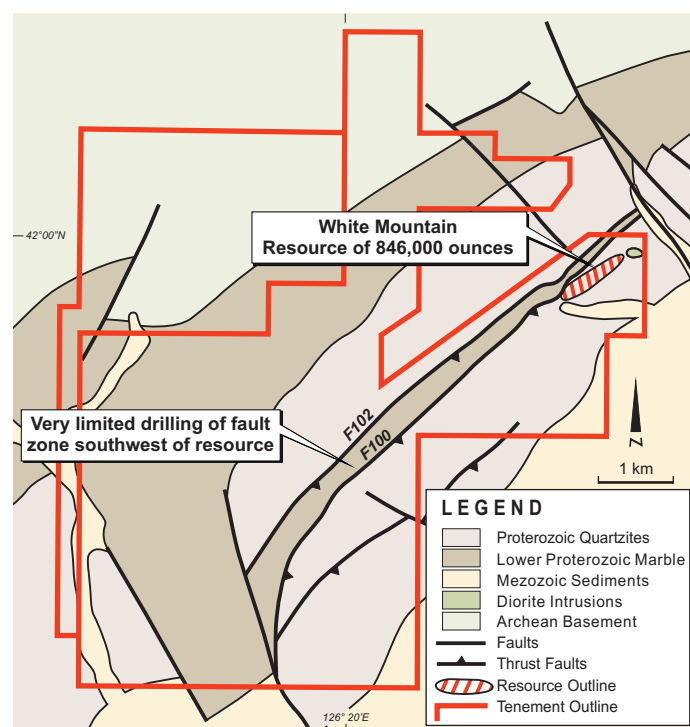
national highway and railway systems. Grid power and water are available on site, which is only 7km from the prefecture level city of Baishan, a coal and iron ore mining centre.

In 2003, Sino Gold acquired an initial 80% interest in White Mountain. During 2006, Sino Gold increased its equity in the project to 95% and increased the area held under Exploration Licences to 104km².

Exploration and Geological Setting

Exploration at White Mountain has focused on mineralisation contained in a northeast trending regional fault zone within Proterozoic sedimentary rocks.

WHITE MOUNTAIN GEOLOGICAL PLAN





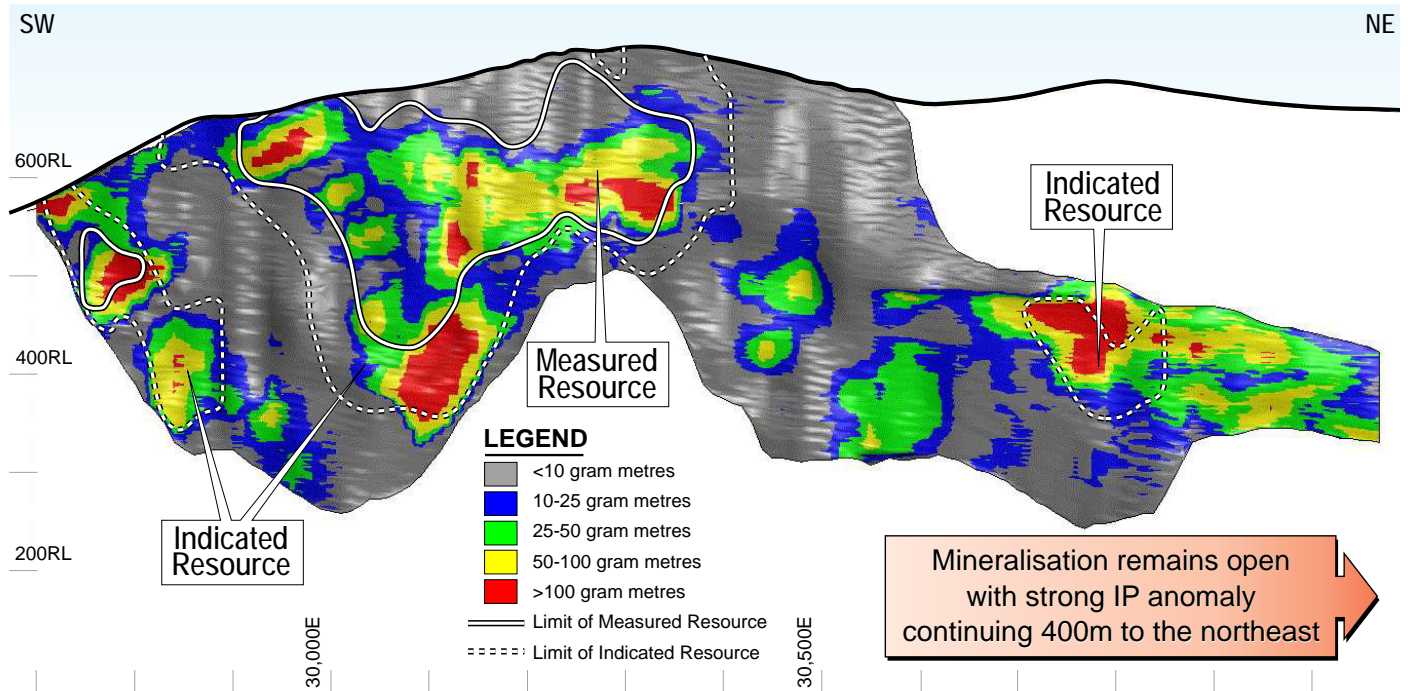
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WHITE MOUNTAIN LONG SECTION



Gold mineralisation at White Mountain is:

- Hosted by a silicified breccia on the main fault between quartzites and marble;
- Associated with pyrite, limonite and barite; and
- Dips approximately 45° to 50° to the southeast.

The primary control on mineralisation is interpreted to be the intersection of two major northeast-trending regional faults (F100 and F102). Transverse faults across the F100 Fault are interpreted to localise gold mineralisation into high-grade zones.

Step-out drilling during the first half of 2006 intercepted significant mineralisation approximately 450 metres northeast of the 2005 resource limits. The drilling program was accelerated and a total of 150 diamond drillholes for 40,615 metres were completed during 2006.

Exploration potential continues to the northeast associated with this plunging fault intersection, as indicated by a strong geophysical resistivity anomaly.



Administration office at White Mountain



View from hill at White Mountain

rising gold star

Resources and Reserves

The 2006 exploration program culminated in the White Mountain Mineral Resource estimate increasing to 7.7 million tonnes at 3.4g/t gold, containing 846,000 ounces. The confidence in the resource estimate has been upgraded with 66% of the Mineral Resource now in the Measured and Indicated categories.

Drilling has extended the length of the resource to 1,350 metres and to a depth of 450 metres.

The grade has reduced to 3.4g/t from 4.5g/t gold in the previous estimate. This decrease in grade is primarily due to the reduction in the cut-off grade from 2.0g/t to 1.0g/t gold, which is based on initial mining studies.

In March 2007, an initial Ore Reserve for White Mountain was estimated to be 3.2 million tonnes at 4.2g/t gold, containing 434,000 ounces.

Outlook

As the resource remains open to the northeast and at depth, the Company plans to undertake a substantial drilling program during the 2007 field season with the aim of further upgrading and expanding the resources and reserves.

Relevant studies on developing White Mountain into Sino Gold's next mine have continued into 2007. The 2006 field program was designed to ensure that all necessary information will be available to submit applications for the issue of a Mining Licence for White Mountain in 2007.

Preliminary mining studies indicate access to an underground mining operation will be via a decline. Preliminary metallurgical studies indicate that a processing plant utilising standard Chinese designs will be able to achieve recoveries in excess of 80%.

Development of White Mountain may commence in late 2007 if drilling and evaluation work continues to return positive results, as well as required approvals being received expeditiously.