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**SINO GOLD AND GOLDEN CHINA ANNOUNCE SIGNING OF AGREEMENT
REGARDING PROPOSED TAKEOVER OFFER FOR GOLDEN CHINA**

Sino Gold Mining Limited (“Sino Gold”) (ASX: SGX, SEHK:1862) and Golden China Resources Corporation (“Golden China”) (TSX/ ASX: GCX) today announced that they have entered into an agreement (the “Agreement”) regarding a proposed offer (the “Offer”) by Sino Gold for all of the outstanding common shares of Golden China.

The Agreement, which values Golden China at A\$80.7 (C\$73.0) million, has the unanimous support of the Golden China board of directors. Under the proposed Offer, Golden China shareholders would receive one Sino Gold share for every 4.5 Golden China common shares they hold. Following successful completion of the Offer, should Sino Gold acquire all of the currently outstanding Golden China shares, Golden China shareholders would collectively hold an interest of approximately 6.5%¹ in Sino Gold.

The Offer values Golden China at a 51% premium over the TSX closing price on 10th August 2007, and a 48% premium over the 10 day TSX volume weighted average trading price of the Golden China common shares.

Sino Gold believes that the proposed acquisition of Golden China provides an attractive addition to its asset base and enhances its growth profile as Golden China’s Beyinhar project is advanced to development status.

Commenting on the proposed Offer, Sino Gold’s Chief Executive Officer, Jake Klein, said:

“We have previously indicated that we intend to acquire advanced exploration assets that have the potential to be developed once our second mine, White Mountain, starts commercial production in early 2009.

“Golden China’s assets fit perfectly with this strategy and enables Sino Gold to focus on a potential third mine development. Importantly, Golden China’s key assets are all

¹ Based on Sino Gold ordinary shares of 181,616,415 and Golden China common shares and share rights totaling 56,775,551.

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within the three areas in which Sino Gold already has significant activity and capacity.

“This acquisition will further consolidate Sino Gold’s position as the leading foreign gold company in China. Our financial strength and operating expertise will ensure that the full potential of the Golden China assets is realised.

“Importantly, the Sino Gold offer provides Golden China shareholders with significant value for their shares, and the opportunity to participate in the future growth of the combined company.”

Golden China’s President & Chief Executive Officer, Greg Starr, added:

“We are excited by the current and potential value created for our shareholders from the acquisition by Sino Gold. The combined assets and strengths of the two companies diversifies the opportunities for our combined shareholders and brings increased financial and management strength to the exploitation of Golden China’s asset base.”

Rationale for the Offer

Golden China is a gold exploration and production company listed on the Toronto Stock Exchange (“TSX”) and Australian Securities Exchange (“ASX”) whose principal asset is the advanced Beyinhar exploration project located in Inner Mongolia, People’s Republic of China.

Sino Gold believes that the Golden China assets are complementary to its own project portfolio and its operational expertise. Sino Gold has the ability to:

- Rapidly advance the Beyinhar project to production. Golden China has previously publicly stated that its intention is to develop a 100,000 ounce production base at Beyinhar;
- Extract full value from the BioGold processing facility in Shandong province; and
- Unlock regional exploration synergies at the Nibao project, which is located near to Sino Gold’s Jinfeng mine in Guizhou Province, People’s Republic of China.

The Offer would provide significant benefits to Golden China shareholders. By accepting the Offer, Golden China shareholders would become shareholders in a company with a successful track record of developing gold mines in China and enhancing shareholder value. Benefits are expected to include:

- The opportunity to realize an attractive premium for their Golden China shares;
- Enhanced share trading liquidity;
- Greater access to development finance, a robust balance sheet and strong cash position; and
- Access to a company with a team of over 600 experienced mining and exploration employees.

Details of the Offer

Under the proposed Offer, Golden China shareholders would receive 1 Sino Gold ordinary share for every 4.5 Golden China common shares they own. The Offer implies a value for each Golden China share of A\$1.42 based on the closing price of Sino Gold shares on ASX of A\$6.40 on 10 August 2007 (the "Implied Offer Price"). The Implied Offer Price represents a premium of 51% to the closing price of Golden China shares on the TSX on 10 August 2007 of C\$0.85.

The Implied Offer Price values Golden China's equity at A\$80.7 (C\$73.0) million². If the Offer is successful and Sino Gold acquires all of the Golden China shares, Golden China shareholders would collectively hold an interest of approximately 6.5%³ in Sino Gold and would share in the expected ongoing benefits of the combined companies.

In addition to the proposed Offer for Golden China's common shares, the Agreement contemplates that each outstanding Golden China option, warrant and convertible security would be proposed to be amended so as to provide that the holder would be entitled to receive, upon the exercise or conversion thereof, in lieu of a Golden China common share, for every 4.5 held, one Sino Gold ordinary share on substantially the same terms and conditions as the outstanding Golden China security, except that the exercise price will reflect the Exchange Ratio and options issued to current employees, officers and directors of Golden China will be fully vested, subject to the right of Sino Gold to offer the holders of each Golden China option, warrant and convertible security the right to cash out their right to receive a Golden China common share at a discount to be determined by Sino Gold.

The Offer is not expected to be made in the United States.

Details of the Agreement

Under the Agreement (a copy of which will be filed shortly on SEDAR at www.sedar.com), Sino Gold and Golden China have agreed to negotiate in good faith and to use their best efforts to enter into a definitive support agreement (the "Definitive Support Agreement") on customary terms to provide for the making and support of the Offer. There are a number of conditions precedent to the entry into of the Definitive Support Agreement, including, among others, receipt by Golden China of a fairness opinion from a financial advisor that the Offer consideration is fair from a financial point of view to the Golden China shareholders, mutual board of director approvals, and mutual no material adverse change conditions.

Sino Gold has already entered into lock-up agreements with Peter Secker and with Stephen Everett, who hold in aggregate approximately 5.3% of the currently outstanding Golden China common shares. While generally irrevocable, these agreements can be terminated by the locked-up shareholders in certain

² Based on Golden China common shares and share rights totaling 56,775,551.

³ Based on Sino Gold ordinary shares of 181,616,415 and Golden China common shares and share rights totaling 56,775,551.

circumstances, including if Golden China terminates the Agreement in order to enter into an agreement to support a bona fide unsolicited superior proposal that Sino Gold fails to match.

In the Agreement, Golden China has agreed, among other things, that it will not directly or indirectly solicit any third party with respect to alternative transactions to the Offer.

The Agreement may be terminated by either party if the Definitive Support Agreement has not been entered into by September 10, 2007, or if Golden China enters into a binding agreement before then with respect to a bona fide unsolicited superior proposal.

If Golden China terminates the Agreement in order to enter into an agreement with respect to a bona fide unsolicited superior proposal that Sino Gold fails to match, a C\$500,000 "break" fee will be payable by Golden China to Sino Gold.

Conditions of the Offer

The Offer is expected to be subject to certain conditions, including a 90% minimum acceptance condition; receiving regulatory approvals on satisfactory terms; and no material adverse changes or other material adverse events occurring in relation to Golden China. The final form of these conditions, and other conditions, remain to be determined, however, and are expected to be negotiated as part of the Definitive Support Agreement. There can be no assurance that a Definitive Support Agreement will be entered into, or that the Offer will in fact be made.

Assuming the Definitive Support Agreement is entered into by the September 10, 2007 deadline, it is expected that formal documentation for the Offer (a takeover bid circular from Sino Gold and a Golden China directors' circular) would be sent to Golden China shareholders in October 2007.

In the event of the successful completion of the Offer, Sino Gold and Golden China expect to seek to terminate the listing of the Golden China common shares on the TSX and of the Golden China common share CDIs on the ASX.

Interim Financing

In addition, subject to the entry into of the Definitive Support Agreement, Sino Gold has agreed to subscribe for up to the lesser of C\$5 million worth of Golden China common shares and such number of Golden China common shares from treasury as will result in it owning 9.9% of the issued and outstanding Golden China common shares, at C\$0.85 per share, to assist Golden China with its operations. This private placement is subject to required regulatory approvals.

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About Sino Gold (ASX: SGX, SEHK: 1862)

Sino Gold has been active in China since 1996.

The Company owns 82% of the **Jinfeng** gold mine in Guizhou Province, southern China. Jinfeng will be the one of the largest gold mines in China when the project achieves planned initial production. Sino Gold is determined to increase Jinfeng's gold production to optimal levels as quickly as possible.

The 95%-owned **White Mountain** project in Jilin Province, northeast China, is on-track to become Sino Gold's next mine. Development is planned to commence during the September 2007 quarter following receipt of the Provincial Project Approval.

Sino Gold has demonstrated capability to gain approvals for, and to successfully develop, gold projects in China. Sino Gold is a growth gold company that is actively pursuing a discovery and acquisition strategy. With a "first mover" advantage, it holds a strong competitive position in China.

The above summary is sourced from Sino Gold's public disclosure.

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About Golden China Resources (TSX and ASX: GCX)

Golden China's shares are listed on the main boards of both the Toronto Stock Exchange and as CDIs on the Australian Securities Exchange. Golden China's major assets consist of:

- The 95%-owned **Beyinhar** project is located in the Chinese province of Inner Mongolia, some 325 km northeast of the capital city, Hohhot. The project lies within a productive orogenic belt hosting several skarn, orogenic/mesothermal veins and porphyry copper-gold deposits. Recent drilling intercepts at Beyinhar include 68 metres at 5.3g/t gold from 66 metres. This indicates that Beyinhar hosts a primary sulphide deposit in addition to a near surface, bulk-mineable oxide and heap leachable gold deposit with a continuous high-grade zone. In January 2007, Golden China announced that it had identified an initial Mineral Resource consisting of a Measured Resource of 4.7 million tonnes at 1.00g/t gold, 12.8 million tonnes at 0.78g/t gold, for combined Measured and Indicated of 17.6 million tonnes at 0.84g/t gold containing 475,000 ounces and an Inferred Resource of 7.5 million tonnes at 0.54g/t gold for 130,000 ounces. The resource estimate was undertaken by Mario E. Rossi, of GeoSystems International, Inc. ("GSI"), a qualified person as defined by NI 43-101, based on the results from a drilling program that was undertaken in 2004-2006. On April 27, 2007, Golden China announced the results of a NP43-101 compliant Preliminary Assessment of the Beyinhar Gold Project Inner Mongolia, People's Republic of China by Kappes Cassiday Australia, and Associates Pty Ltd (the "Scoping Study") which suggests the project's ability to initially produce 100,000 ounces per year for a low cash cost per production ounce of between US\$260 and US\$280, with capital expenditures of only US\$29 million. A copy of the Scoping Study is available on the company's website (<http://www.goldenchina.ca>) and on SEDAR (www.SEDAR.com).
- Golden China's 99.5% owned **BioGold** Facility located in Shandong Province includes a CIL plant, a bacterial oxidation (BACOX[®]) plant, a base metal flotation circuit, 51% of a gold refinery, and a seat on the Shanghai Gold Exchange. The facility purchases gold concentrates from a number of mining operations and produces about 100,000 ounces of 99.99% gold bullion annually. An expansion to the BACOX[®] plant is currently underway, which is planned to double that plant's processing capacity.
- The 70%-owned **Nibao** project is located in western Guizhou Province within the Golden Triangle of southern China. In September 2006, Golden China announced that it had identified an initial Mineral Resource consisting of a Measured Resource of 2.9 million tonnes at 3.54g/t gold containing 330,000 ounces, an Indicated Resource of 3.92 million tonnes at 1.72g/t gold containing 217,000 ounces and an Inferred Resource of 6.5 million tonnes at 1.46g/t gold, containing 305,000 ounces of gold. Golden China's ownership of the project is expected to increase to 84% on a decision to mine. The resource estimate was undertaken by Scott Wilson Roscoe Postle Associates Inc. (Scott Wilson RPA) based on drilling

assay results to June 25, 2006 of 410 drill holes comprising 41,600 metres.

- Golden China has a minority ownership interest in the Gold Ridge Mine in the Solomon Islands through its approximately 19.3% equity holding in Australian Solomon's Gold (TSX: SGA).

The above summary is sourced from Golden China's public disclosure.

Competent Persons

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves of Sino Gold has been approved for release by Mr Phillip Uttley (FAusIMM), who is Sino Gold's Chief Geologist and has sufficient experience in relation to the style of mineralisation and type of deposit under consideration 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). JORC is a 'recognized code and FAusIMM is a recognized designation', under NI 43-101. Mr Uttley has consented to inclusion of this information in the form and context in which it appears.

The information contained in this report that relates to Exploration Results, Mineral Resources or Ore Reserves of Golden China is based on NI-43-101 compliant reports as well as information compiled by Mr. Peter Secker, BSc (Hons) Mining Engineering, M Aus IMM, the company's Vice President of Exploration and Development. He has sufficient experience relevant to the style of mineralization and types of deposits as well as to the activity that 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). Mr. Secker has consented to the inclusion in this report of information in the form and context in which it appears.

Cautionary Statement on Forward-Looking Information

Certain information included in this Press Release, including any information as to future financial or operating performance and other statements that express expectations or estimates of future performance, constitute "forward-looking statements". The words "expect", "will", "intend", "estimate" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management of Sino Gold and Golden China (collectively, the "Companies"), as applicable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Companies caution the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of each of the Companies, as applicable, to be materially different from their respective estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are

not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to: changes in the worldwide price of gold or certain other commodities (such as fuel and electricity) and other currencies; changes in U.S. dollar interest rates or gold lease rates; risks arising from holding derivative instruments; ability to successfully integrate acquired assets; legislative, political or economic developments in the jurisdictions in which the Companies carry on business; operating or technical difficulties in connection with mining or development activities; employee relations; availability and increasing costs associated with mining inputs and labour; the speculative nature of exploration and development, including the risks of diminishing quantities or grades of reserves, adverse changes in our credit rating, contests over title to properties, particularly title to undeveloped properties; and the risks involved in the exploration, development and mining business. These factors are discussed in greater detail in the Companies respective statutory releases filed with the Australian securities regulatory authorities and in Golden China's most recent Annual Information Form filed with the Canadian provincial securities regulatory authorities.

Each of the Companies disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

THE TSX AND ASX HAVE NOT REVIEWED AND DO NOT ACCEPT
RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THE RELEASE.