Jinshan Gold Mines

October 4, 2004

PILOT MINING PROGRAM UNDERWAY AT JINSHAN'S 217 GOLD PROPERTY IN NORTHERN CHINA

ONGOING SCOPING STUDIES TESTING PRODUCTION TARGET OF 100,000 OUNCES PER YEAR

BEIJING, CHINA — Jay Chmelauskas, President of Jinshan Gold Mines, announced today that pilot-scale mining is underway at the company's 217 Gold Project (Chang Shan Hao) in Inner Mongolia, China. The pilot project consists of a small open pit and an underground tunnel to provide bulk-tonnage samples of the mineralization to better establish grade and metallurgical recoveries. The pilot project is a major step in advancing scoping/feasibility studies and permitting toward full-scale mining. The pilot program is designed to test a targeted, commercial production rate of 100,000 ounces per year. Such a rate would make the 217 Project the third-largest producing gold mine in China.

A 1,000-tonne-per-day (tpd) crusher and conveyor system has been installed. Two 50,000-tonne heap-leach pads, carbon columns and solution ponds have been constructed to enable heap leaching on run-of-mine (ROM) ore and single-stage crushed ore. Jinshan also has commenced an Environmental Impact Assessment base-line study, initiated mine permitting and is continuing metallurgical testing.

"We have built strong relations with the local county and provincial governments that have shown their full support for this project," said Mr. Chmelauskas. "We are in a jurisdiction that supports mining and understands the benefits that the project will provide to the local economy. All the basic engineering requirements, such as power and water, appear readily available and there is good access to the site. If we are successful in developing the 217 Project into a 100,000-ounce-per-year gold mine, it will establish Jinshan as one of the top-tier gold mining companies in China and further support our growth and business development activities."

In addition to providing the necessary engineering parameters for production scale-up, the pilot project has demonstrated Jinshan's ability to source local engineering staff and capital equipment. The project also has given Jinshan better insight into the use of Chinese contract-mining equipment and Chinese operating costs. Most of the materials for the project have been sourced from the city of Baotou, approximately a three-hour drive from the project — mostly along a new, paved highway. Baotou is a major manufacturing centre in northern China; local industry includes an assembly plant for large Terex haul trucks used in mining.

Terex trucks, Baotou

Jinshan has earned a 55% interest in the 217 Project from its Chinese joint-venture partner and has the right to acquire a further 41.5%, which would increase its total interest to 96.5%, through scheduled payments totalling US$2.75 million. Jinshan and Ivanhoe Mines Ltd. share a 50/50 joint venture in the project. Photos of the pilot mining operation can be viewed on the company's web site: www.jinshanmines.com.

Scoping Studies

Jinshan is advancing engineering on its 217 Project to determine the flow sheet and capital required for optimal mine economics. Preliminary engineering studies have been carried out by international engineering consultants, with reporting and review by Independent Engineers (Australia) Pty. Ltd. (IEA). The scoping work to date has incorporated engineering design and cost estimates prepared by NERIN, a Chinese Class A Design Institute, to realize Chinese operating and capital costs.

The current metal-recovery process assumes heap leaching with three-stage crushing and carbon absorption/elution. Column testing for heap leachability by Lakefield Laboratories, of Canada, showed encouraging results, with oxide gold recoveries of 83.5% and sulphide recoveries of 72.7% for 0.25-inch-size material. Mineralogical examination of gold particles in samples submitted for metallurgical test work at SGS Lakefield indicated that gold mainly occurs as liberated and/or free grains. The testwork also indicated a significant nugget effect that has implications for grade determination and metallurgical recoveries. The bulk-sampling, pilot-mining program will evaluate this nugget effect. In addition, large diameter column testing will be carried out to establish optimal crush sizes for heap leach recovery.

The pilot-mining program also is designed to test ROM economics. Under the ROM mine scenario, the mine could be put into production in a short period of time with low capital requirements. Historical, small-scale mining on the property has been carried out by ROM mining. A 50,000-tonne ROM pad and a 50,000-tonne, single-stage crush pad are being loaded to test this low-capital option. Other alternatives, such as the addition of a gravity circuit, also are being tested to improve overall recoveries. Large-scale column testing will be performed in Baotou on representative bulk oxide and sulphide samples.

217 pilot mining project

Management's current estimate for completion of key stages of the engineering process

- Bulk mining from oxides (open pit) — mid-October, 2004.
- Bulk mining from sulphides (underground) — mid-December, 2004.
- Bulk scale column testing (oxides/sulphides) — Q2, 2005.
- Revised resource model — Q2, 2005.
- Engineering Scoping/Feasibility study — Q2, 2005.
- Contract mining tenders — Q2, 2005.
- ROM/Single Stage 50,000-tonne leach pad recovery results — Q3, 2005.
- ROM engineering study and production decision — Q3, 2005.
- Mining lease approval — Q3, 2005.

Permitting

The exploration permit for the property was extended this year until June 2006. The next step toward mine-production permitting will be the filing of an application for a mining lease. Jinshan has begun the necessary engineering and environmental assessments required for a mining lease. An Environmental Impact Assessment (EIA) and an Environmental and Social Impact Assessment (ESIA) are being conducted by Environmental Resource Management Limited (ERM China), in partnership with the Inner Mongolian Environmental Science Academy. ERM is an internationally-recognized consulting engineering firm, which has an office in Shanghai. Jinshan believes that a mining permit could be obtained by the third quarter of 2005.

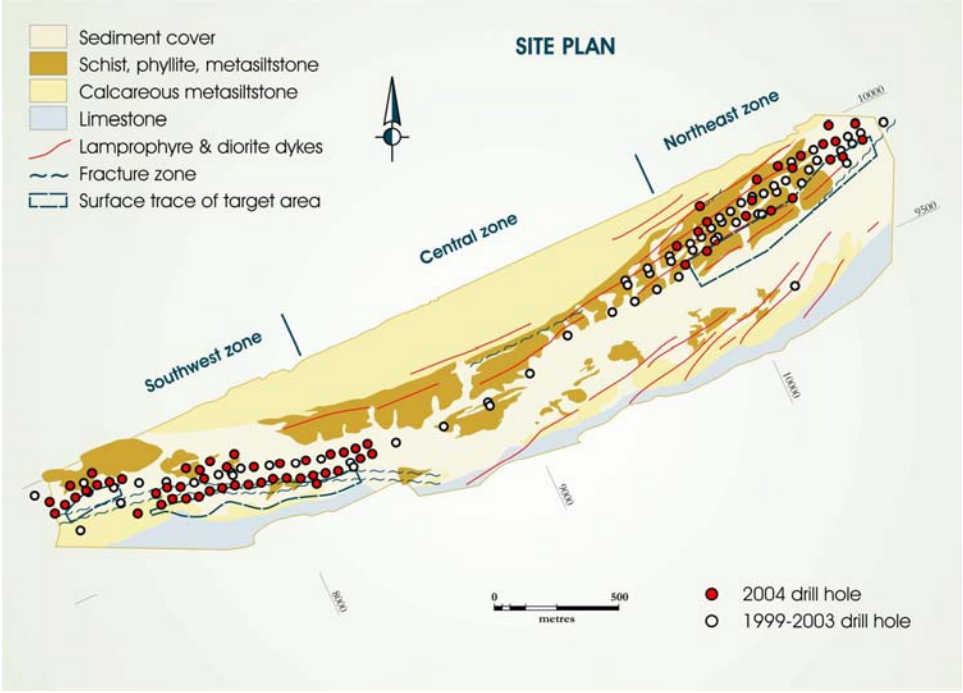
Summary of the current status of the permitting process for Jinshan's 217 Project

Permit/License	Authority	Status
Exploration License	Ministry of Land and Resources	Issued
Geological Hazards	Ministry of Land and Resources	Required
Water and Soil Conservation	Water Conservation Bureau	Commenced
Environmental Impact Assessment	Environmental Protection Bureau	Commenced
Environmental and Social Impact Assessment	International	Commenced
Safety Assessment	Safety Bureau	Required
Resource Verification	Ministry of Land and Resources	Commenced
Project Development Approval	Development and Reform Commission	Required
Land Use Rights	Ministry of Land and Resources	Required
Mining Lease	Ministry of Land and Resources	Follows other approvals

Drilling Program and Resources

Widespread gold mineralization has been encountered at the 217 Project within a broad, intense, westerly-striking, steeply-dipping shear structure with true widths of up to 150 metres. The anomalous gold values are associated with fine pyrite-pyrrhotite stringers and sulphide-quartz veinlets and lenses within the shear structure. Bulk-tonnage potential exists for oxide and underlying sulphide mineralization, with the depth of oxidation being relatively sharp and fairly constant at a vertical depth of 50 metres. The

deposit contains two zones of mineralization: a large, low-grade resource in the Northeast Zone, and a higher-grade resource in the Southwest Zone. An independent resource estimate was prepared according to standards in National Instrument 43-101 by Westervelt Engineering Ltd., under the direction of Ralph Westervelt, P.Eng., an independent qualified person. Westervelt estimated a measured and indicated in-pit resource in the Northeast zone of 29 million tonnes grading 0.95 g/t gold and an inferred resource of 7 million tonnes grading 0.98 g/t gold. The Southwest zone shows an in-pit inferred resource of 15 million tonnes grading 1.25 g/t gold. Measured and indicated resources are that part of a mineral resource for which quantity and grade can be estimated with a level of confidence sufficient to allow the application of technical and econoic parameters to support mine planning and evaluation of the economic viability of the deposit. Inferred resources do not have the same degree of verification.



217 site plan

Grades in the Southwest zone are approximately 30% higher than in the Northeast Zone and, therefore, a potential Southwest starter pit is envisioned.

A 6,600-metre drilling program was completed earlier this year, bringing the total metres drilled on site to 20,488 metres. Approximately 3,300 metres were drilled in the Southwest Zone, which remains open and is undergoing geological interpretation. Results from the 6,600-metre drill program will be used to update the February 2004 resource estimate.

QA/QC

An atomic absorption assay lab has been operating at the 217 Project site for approximately two months, providing rapid data for in-pit grade control. Internal QA/QC procedures are in place. Results to date indicate that the lab is running acceptably and improvements are being made as necessary. Control samples used to monitor lab performance include: blanks, standards, field duplicates, repeat samples and duplicate assays. For the pilot project, control samples will be sent to the new SGS laboratory in Nanning and one other nationally-certified lab in China. The SGS lab will utilize AA and Fire Assay methods and will be ISO9000 certified. All samples from the 6,600-metre diamond drill program have been sent to ALS Chemex Laboratories in Vancouver, Canada for fire assay.

Michael Page, Jinshan Gold Mines' VP Exploration, a qualified person as defined by National Instrument 43-101, supervised the preparation of the informatin in this release.

About Jinshan

Jinshan Gold Mines is a Canadian company focused on the exploration and development of precious and base metals (gold, copper and platinum group metals) in China.

Jinshan shares are listed on the TSX Venture Exchange under the symbol JIN.

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Forward-Looking Statements: Statements in this release that are forward-looking statements, including the targeted production rates, scoping study activities and permitting are subject to various risks and uncertainties concerning the specific factors disclosed under the heading “Risk Factors” and elsewhere in the company’s periodic filings with Canadian securities regulators. Such information contained herein represents management’s best judgment as of the date hereof based on information currently available. The company does not assume the obligation to update any forward-looking statement.