



### **JINSHAN SIGNS NEW JOINT-VENTURE AGREEMENT FOR DADIANGOU GOLD PROPERTY, GANSU PROVINCE, CHINA**

**Vancouver, Canada** — Jinshan Gold Mines announced today that it has signed a joint-venture agreement with the Nuclear Industry Northwest Economic and Technology Company (the Chinese partner) for the Dadiangou Gold Property in Gansu Province, China. The Dadiangou Property is located in the Qinling Fold Belt, a prolific gold-producing region that trends west to east through the provinces of Gansu and Shaanxi in central China.

“The Dadiangou Gold Property is an advanced-stage exploration project that has the potential to host a significant, near-surface gold deposit,” said Jay Chmelauskas, Jinshan’s President. “Our Chinese partner has done excellent exploration work to date in the form of adit sampling and surface mapping. The next step is to drill the project to confirm the continuity, grade and extent of the gold mineralization along strike and to depth.”

The joint-venture agreement allows Jinshan to earn a 71% interest in the joint venture by incurring exploration expenditures of US\$3.3 million and by making payments to the Chinese partner of US\$1.3 million. Jinshan can further increase its ownership in the property to a minimum of 80% by conducting additional property expenditures of US\$2.8 million, which include payments to the Chinese partner of US\$0.3 million. The Chinese partner then can choose to participate at a 20% level for all further development and capital expenditures, or be diluted.

The Dadiangou Property covers an area of 15 square kilometres and hosts multiple gold-bearing shear zones up to 50 metres wide over a minimum strike length of 3,000 metres. Gold mineralization occurs in vertical lenses within the shear zones associated with quartz and sulfides (mostly pyrite). Native gold is reported to represent 85% of the total gold. Preliminary metallurgical test work by the Chinese partner indicates that the mineralization is non-refractive.

The Chinese partner has tested the gold mineralization with three exploration adits, including cross-cuts across the zone every 50 metres. Two of the underground drifts and crosscuts were designed to test the vertical continuity of the system. The results of continuous underground channel sampling indicate an average gold grade of approximately 1.5 grams per tonne (g/t) over significant widths (greater than 40 metres in some locations). Jinshan has re-assayed approximately 1,048 pulp samples from the Chinese partner’s underground sampling program, which included 22 standardized pulps randomly injected as check samples. The re-assaying was conducted at the SGS Laboratory in Tianjin, China, using standard fire assay techniques. The re-assay program confirmed the average gold grade of the underground channel samples is approximately 1.5 g/t.

The mineralized zone is open along strike in both directions and has been tested only to a depth of about 100 metres below surface. Jinshan believes that the deposit has the

potential to be developed as an open-pit mine. However, the deposit's grade and potential tonnage are still conceptual in nature and it is uncertain if further exploration will result in the discovery of an economic mineral resource. The company is planning an extensive exploration program consisting of surface geological and geochemical surveys, surface diamond drilling, underground development and diamond drilling, and additional metallurgical testing. The first phase of the program will cost approximately US\$1.5 million and will consist of drilling and underground development.

### **Qualified Person**

Jim Lincoln, Jinshan's Vice-President, Corporate Development and a qualified person as defined by NI 43-101, supervised the preparation of this news release.

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**The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.**

**Forward-Looking Statements:** Statements in this release that are forward-looking statements, including the planned exploration at the Dadiangou Property 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.