



## **JINSHAN CLOSSES C\$9.6 MILLION FINANCING**

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**VANCOUVER, CANADA** – Jinshan Gold Mines Inc. (TSX-V: JIN) today announced that the company has closed its non-brokered private placement for total gross proceeds of C\$9.6 million (approximately US\$8.7 million). The proceeds of the private placement will be used to help fund the company's development and construction of its Chang Shan Hao (CSH 217) open-pit gold mine project in Inner Mongolia, China, to advance its various exploration properties, and for general corporate purposes.

"The private placement is designed to keep our critical path construction expenditures on track while we continue the mine permitting process," said Jinshan's President, Jay Chmelauskas. "We have made significant progress at the mine site over the past few months on items such as the heap-leach pads, camp facilities and the process plant building. We are now steps away from our goal of commencing production at what will be one of China's largest gold mines."

Jinshan expects to receive its mine permit in the third quarter of 2006 and, accordingly, the company expects commercial gold production in the early part of 2007. The final feasibility study for the CSH 217 mine indicates that the mine would be capable of producing approximately 117,000 ounces of gold per year for an initial mine life of approximately nine years at an average cash cost of approximately US\$253 per ounce. The feasibility study estimates total Proven and Probable open-pit reserves at 66.7 million tonnes averaging 0.75 grams per tonne gold, containing approximately 1.2 million ounces of recovered gold. The study was prepared by KD Engineering of Tucson, Arizona, pursuant to Canada's National Instrument 43-101 (see Jinshan's April 24, 2006 news release for complete details). A copy of the study is available on SEDAR.

The financing consisted of 8,000,000 Units at a price of C\$1.20 per Unit. Each Unit consists of one common share and one-half of a share purchase warrant. Each full warrant entitles the holder to purchase one common share at the exercise price of C\$1.45 for a period of eighteen months. All common shares and warrants issued pursuant to this private placement will be subject to a four month hold period from the date of issuance. As part of the private placement, Jinshan paid a finders fee of \$141,000 for places introduced to Jinshan by the finder.

The information contained in this news release does not constitute an offer of securities for sale in the United States. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state and may not be offered or sold in the United States or to U.S. Persons (as defined in Regulation S of the U.S. Securities Act) unless an exemption from registration is available.

## **About Jinshan**

Jinshan is a Canadian mining company focused on the exploration and development of gold projects in Asia. The company is developing the CSH 217 open-pit gold mine project and conducting exploration work on other prospective properties in China.

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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 those relating to obtaining the mine permits and the future production capabilities at the CSH 217 project are subject to various risks and uncertainties concerning the specific factors disclosed under the heading “Risk Factors” and elsewhere in the company’s MD&A, financial statements and other 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.