



Jinshan Gold Mines Inc.

August 1, 2007

PHASE II DRILLING UNDERWAY AT JINSHAN'S DADIANGOU GOLD PROPERTY, CHINA

EXPLORATION PROGRAMS ONGOING IN XINJIANG PROVINCE AND AT CSH 217 GOLD MINE

BEIJING, CHINA – Jinshan Gold Mines Inc. (TSX: JIN) is pleased to announce that Phase II drilling has begun at the Dadiangou gold property in Gansu Province, China. The planned 5,000-metre diamond drill program is designed to test strike extensions to the Dadiangou Main Zone where Phase I drilling defined gold mineralization over a two-kilometre strike length.

In addition to the drill program at Dadiangou, surface exploration programs have commenced at two projects in Xinjiang Province. Also, an 8,000-metre exploration and resource delineation drilling program and property-scale surface exploration program is underway at the CSH 217 Gold Mine, in Inner Mongolia China.

“This is an exciting time for Jinshan. With the realization of gold production from our CSH 217 Gold Mine, we can now focus the company’s efforts on expanding our gold resources at Dadiangou and the CSH 217 Gold Mine.” said Jinshan’s Vice President of Exploration, Keith Patterson. “We currently have two significant drill programs underway, property-scale surface work ongoing at three projects and crews evaluating several potential new projects for the company.”

Dadiangou Phase II Drill Program

At Dadiangou, results have now been received from a 12 km² soil sampling program and from surface mapping and trenching. Of note in the soil sample results are highly anomalous values (>50 to 150 ppb gold) which extend over one kilometre along strike beyond previous drilling at the Dadiangou main zone. Soil sampling has also defined a new zone, named the north anomaly, which lies approximately 800 metres north of the Dadiangou main zone. The north anomaly is defined by multiple soil samples containing greater than 50 ppb gold (including two samples which returned 6,940 and 1,580 ppb gold) over a strike length of approximately 1.2 kilometres. The size and strength of the Dadiangou north gold in soil anomaly compares favourably with the anomaly over the Dadiangou main zone.

Phase II drilling at Dadiangou will begin with a number of drill holes designed to test the along-strike extensions to the Dadiangou main zone. Mapping and sampling is currently underway at the Dadiangou north anomaly which will define drill targets to be tested during the Phase II program. A small component of infill drilling at the Dadiangou main zone is also planned in order to provide additional data for a resource estimate scheduled for late 2007. Phase I drilling at Dadiangou identified a two- kilometre mineralized zone that remains open in both directions. Highlights of Phase I drilling include the following intercepts, please see the May 29, 2007 press release for further details.

- Hole 3: 37.7 metres (24.7m true width) at 1.6 g/t gold
- Hole 5: 24.0 metres (18.1m true width) at 2.0 g/t gold
- Hole 10: 32.4 metres (24.8m true width) at 1.6 g/t gold
- Hole 18: 19.6 metres (16.6m true width) at 2.1 g/t gold

Xinjiang Exploration

Jinshan currently holds thirteen exploration permits in Xinjiang Province, along the prolific Tianshan Gold Belt. Targets include bulk-tonnage, sediment hosted gold deposits similar to Muruntau, Kumtor, and Jinshan's CSH 217 gold mine. At Jinshan's Changsheng project, geological and sampling crews are currently on site to complete a comprehensive surface program including mapping, grid rock-chip sampling, trench resampling and new trenching. Crews are also active at the Xingou property, where a program of detailed stream sediment sampling and prospecting is underway to prioritize areas for follow-up work later this year.

CSH 217 Exploration

At Jinshan's flagship project, the CSH 217 Gold Mine, a brownfields exploration program is currently underway targeting increases to the present resource with drilling along strike and beneath the current deposits. In addition to the expansion of the known deposits through drilling, a systematic surface sampling program is planned to begin shortly with the goal of identifying additional targets on the property. There are numerous gold occurrences on the property that have not yet seen significant exploration and merit detailed evaluation.

Quality Assurance and Quality Control Program

Industry standard core handling, sample chain of custody, and laboratory quality assurance/quality control (QA/QC) protocols have been developed and are adhered to in all of Jinshan's work. At the Dadiangou project individual core boxes are transported from the drill site to a secure core logging facility by Jinshan personnel. At the core shack, core is logged for geological and geotechnical purposes, then photographed prior to being cut by diamond saw for sampling. Blank, duplicate, and standard samples are inserted into the sample stream and will comprise approximately 20% of the samples. A strict chain of custody protocol is enforced at all times during sample transport from the project to SGS-CSTC Laboratories in Tianjin, China (ISO 9001-2000 accredited). Once results are received, they are compiled with the drill hole data then reviewed and approved by Jinshan's Qualified Persons.

Qualified Persons

Howard Davies, M.Sc., M.A.I.G., a Jinshan employee, and Keith Patterson, M.Sc., P.Geo., Jinshan's Vice President of Exploration, are the designated Qualified Persons for the Dadiangou project. Mr. Davies or Mr. Patterson will be onsite throughout the Phase II drilling at Dadiangou. Mr. Patterson is the designated Qualified Person for the Xingou and Changsheng projects in Xinjiang province. Mr. Patterson prepared this news release. Cal McKee, Jinshan's Chief Operating Officer and a qualified person as defined by National Instrument 43-101 is the designated Qualified Person at the CSH 217 Gold Mine.

About Jinshan

Jinshan is a Canadian mining company focused on the exploration and development of gold projects in Asia. The company operates the CSH 217 Gold Mine and is conducting exploration

work on other prospective properties in China. Ivanhoe Mines (IVN:NYSE, TSX,NASDAQ) owns approximately 43% of Jinshan's shares.

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Forward-Looking Statements: Statements in this release that are forward-looking statements, including the size and scope of drilling at the CSH 217 Gold Mine, the commencement of the surface sampling program at the CSH 217 Gold Mine, the timing for a resource estimate for the Dadiangou property, the ongoing exploration program at the Dadiangou property and the ongoing exploration program at the Changsheng project are all 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. When used in this document, words such as "could", "planning", "estimate", "expect", "intend", "may", "potential", "should", and other similar expressions are forward looking statements. The company does not assume the obligation to update any forward-looking statement.