



### **JINSHAN APPOINTS MACQUARIE BANK AS LEAD ARRANGER FOR US\$35 MILLION PROJECT LOAN FOR CHANG SHAN HAO (217) GOLD PROJECT, CHINA**

**VANCOUVER, CANADA** – Jinshan Gold Mines Inc. (TSX-V: JIN) is pleased to announce that it has engaged Macquarie Bank Ltd. (Macquarie) as Lead Arranger for a US\$35 million project loan facility. The loan facility will be used to fund the mine development and working capital requirements for the Chang Shan Hao (217) Gold Project in Inner Mongolia, China.

Macquarie has provided Jinshan with an indicative term sheet outlining commercially acceptable financial terms for the project financing. Final terms for the loan facility will be negotiated by both parties once Macquarie completes technical and legal due diligence. As part of its consideration, and subject to regulatory approval, Macquarie will receive 1,500,000 transferable common share purchase warrants exercisable at C\$1.45 for 36 months from the date of issue. Accordingly, 650,000 warrants will vest once a Committed Term Sheet has been accepted by Jinshan and a further 650,000 warrants will vest once Jinshan commences draw down of the loan facility. A final 200,000 warrants will vest only if Jinshan draws down on more than US\$30 million of the loan facility.

“The loan facility is one more step toward the development of what will be one of China’s largest open-pit gold mines.” said Jay Chmelauskas, President of Jinshan. “We are pleased to appoint Macquarie Bank as Lead Arranger based on its strong mining experience and after receiving numerous proposals from other banks that had reviewed our pre-feasibility work done to date. The next major steps for Jinshan are to complete the Final Feasibility Study in the next few weeks and complete mine permitting in the next few months. Pre-construction activity at the site is advancing on schedule for our projected start-up in the fall of 2006.”

Macquarie, with assets of more than A\$84 billion, is a leading international provider of financing for mining projects. Macquarie has extensive experience financing gold projects worldwide and has an established presence in China.

#### **About Jinshan**

Jinshan is a Canadian mining company focused on the exploration and development of gold projects in Asia. The company is developing one of the largest gold mines in China — the CSH (217) Gold 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 the ongoing development, engineering and permitting work, and expected future exploration at the four permits 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.