



## Jinshan Gold Mines Inc.

February 27, 2009

### **JINSHAN ANNOUNCES UPDATE ON CRUSHER CONSTRUCTION AND GOLD PRODUCTION AT THE CSH GOLD MINE**

**VANCOUVER, CANADA** – Jinshan Gold Mines Inc. (TSX: JIN) is pleased to provide an update on operations at its CSH gold mine in Inner Mongolia, China. Construction efforts for the 30,000 tonne per day, three stage crushing facility continue to meet the timeline for target completion in Q3 2009 with initial testing of the crushers scheduled to begin in July. Gold production from the CSH mine totaled 57,510 ounces in 2008 with 18,078 produced in Q3 and 15,593 in Q4. Since commercial production began in July, 2008 the company has sold 35,841 ounces at an average price of US \$819 per ounce.

For the mixed and sulfide ore at CSH, three stage crushing is required to allow more efficient heap leach recovery of gold. More than half of the new crushers have now arrived at site and the remainder are expected to arrive on site by early April, 2009. Completed portions of the crusher installation include: all earth work and foundations; over 30,000 cubic meters of concrete poured; and over 2,500 tonnes of steel structures completed. Domestic equipment supply contracts are signed, including conveyor belts, dust collectors, boilers and electric equipment such as transformers and motors. Construction of the required leach pad extension is scheduled to begin in May 2009. The Company is currently negotiating project financing with banks in China to fund the completion of crusher and leach pad construction.

Jinshan's Run of Mine operations have encountered lower than estimated quantities of available oxidized ore and a resultant greater than estimated quantity of mixed and sulfide ore in the pit. Jinshan has determined that this factor is the largest contributor to gold production underperforming the 9,000 ounce per month design expectations. Monthly commercial gold production for the months of July, 2008 to January, 2009 is shown below.

<u>Month</u>	<u>Ounces Produced</u>
July, 2008	5,234
August, 2008	6,415
September, 2008	6,462
October, 2008	5,320
November, 2008	5,237
December, 2008	4,236
January, 2009	4,561

China National Gold Group ("CNG") has been instrumental in realizing numerous cost saving initiatives at CSH and providing significant ongoing technical support. In addition to reductions in the prices of some of the consumable and supply contracts, the mining contract with China National Railway Group has been renegotiated and the average mining price has been decreased effective in December 2008. An additional train of seven CIC tanks were added to the process plant in

anticipation of the increased production rate, with the help of CNG this work was completed well ahead of schedule and cost approximately 55% of the budgeted US \$1.6 million. In addition, CNG has provided a guarantee for the 130 million RMB loan with ICBC and assisted in negotiating the project financing with banks in China to fund the completion of crusher and leach pad construction. CNG has also provided to Jinshan an RMB 50 million advance against gold sales under Jinshan's Refining Agreement with CNG.

Company management including a technical team from CNG continues to review CSH mine operations to improve the metallurgical testing and process control. In addition, experts from KD Engineering, Geosystems International and Nilsson Mine Services are recommending and helping to initiate an ore testing and analysis program to support possible improvements to the current run of mine operation and to verify and refine estimates and procedures for the anticipated production from crushed ore operation scheduled to begin Q3 2009.

### **About Jinshan**

Jinshan is focused on gold production and acquisitions in China. The company began producing gold at the CSH Gold Mine in July 2007 and is actively advancing its portfolio of gold exploration properties in China. Jinshan's shares are listed on the Toronto stock exchange under the symbol JIN. China National Gold Corporation, a Chinese state-owned enterprise and the largest gold producer in China owns approximately 42% of Jinshan's shares.

Investors: Deanna Kress, +1.604.609.0598  
Email: [info@jinshanmines.com](mailto:info@jinshanmines.com)

Please visit our website at: [www.jinshanmines.com](http://www.jinshanmines.com)

**Forward-Looking Statements:** Statements in this release that are forward-looking statements, including the progress of crusher installation and related facilities at the CSH Gold Project and the results of the testing and analysis program on gold production at the CSH Gold 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. Of particular consideration in respect of the timing and success of crusher installation and related facilities is the requirement to complete project financing on a timely basis to support the ongoing capital costs of the expansion. Given the current global financial conditions there can be no assurance that project financing will be available. 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.