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NEWS RELEASE  
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TSX-V: SMZ

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### **SINCHAO METALS CORP. CLOSES FIRST TRANCHE OF \$6,000,000 FINANCING**

VANCOUVER, BRITISH COLUMBIA – Sinchao Metals Corp. (“Sinchao Metals” or the “Company”)(TSX-V: SMZ) is pleased to announce that it has completed the brokered portion of its previously announced private placement of units (the “Units”) which consisted of 10,000,000 Units at a price of \$0.40 per Unit for aggregate gross proceeds of \$4,000,000. PI Financial Corp. (the “Agent”) acted as agent for the brokered private placement and in consideration of its services received a commission of 700,000 units with the same terms as the Units. In addition, the Agent received compensation options (the “Compensation Options”) equal to 9% of the number of Units sold under the offering. Each Compensation Option will entitle the Agent to purchase one common share of the Company for a period of two years from the closing date at an exercise price of \$0.45 per common share. The private placement is subject to the final approval from the TSX Venture Exchange.

Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant (a “Warrant”). Each whole Warrant is exercisable into one additional common share of the Company (a “Warrant Share”) for a period of two years from the closing date of the private placement at an exercise price of \$0.60 per Warrant Share except that if over a period of 20 consecutive trading days between the date that is 4 months following the closing date and the expiry of the Warrant, the daily volume weighted average trading price of the Company’s common shares on the TSX Venture Exchange, or such other stock exchange where the majority of the trading volume occurs, exceeds \$1.50 on each of those 20 consecutive days, the Company may give notice in writing to the Warrant holders within 30 days of such an occurrence that the Warrants shall expire at 4:00 p.m. (Vancouver time) on the 30th day following the giving of such notice unless exercised by the holders prior to such date. All securities issued in connection with the private placement are subject to a four month hold period in Canada which expires on March 21, 2008.

The second tranche of the \$6,000,000 private placement announced October 29, 2007 will be a non-brokered private placement with Andean American Mining Corp. for 5,000,000 Units at a price of \$0.40 per Unit for aggregate gross proceeds of \$2,000,000. The aggregate gross proceeds of the brokered and non-brokered portions of the private placement will be \$6,000,000.

The net proceeds from the offering will be used to finance further exploration of Sinchao Metals’ Sinchao Project, located in northern Peru, and for general working capital. “This successful financing will provide the additional capital to advance our exploration and drilling activities,” stated President Andrew Gourlay. “In particular, we look forward to providing further drill results as they are received and moving towards identifying inferred resources on the property.”

On behalf of Sinchao Metals Corp.,

“Andrew Gourlay”

Andrew Gourlay  
President

About Sinchao Metals Corp:

Sinchao Metals Corp. (TSX.V:SMZ) is focused on the exploration and development of the Sinchao property, located in Cajamarca province in Northern Peru, 30 kilometres from Yanacocha, the largest gold mine in South America. The company is dedicated to creating value for its shareholders by pursuing growth, expansion and enhancement of the Sinchao property. For further information please contact the Company at (604) 681-6186 or toll free: 1-888-356-4784. Visit the company website at [www.sinchaometals.com](http://www.sinchaometals.com)

This news release may contain forward-looking information within the meaning of the Securities Act (Ontario) ("forward-looking statements"). Such forward-looking statements may include the Company's plans for its mineral projects, the overall economic potential of its properties, the availability of adequate financing and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements expressed or implied by such forward-looking statements to be materially different. Such factors include, among others, risks and uncertainties relating to potential political risks involving the Company's operations in a foreign jurisdiction, uncertainty of production and costs estimates and the potential for unexpected costs and expenses, physical risks inherent in mining operations, currency fluctuations, fluctuations in the price of gold and other metals, completion of economic evaluations, changes in project parameters as plans continue to be refined, the inability or failure to obtain adequate financing on a timely basis, and other risks and uncertainties, including those described in the Company's Financial Statements, Management Discussion and Analysis and Material Change Reports filed with the Canadian Securities Administrators and available at [www.sedar.com](http://www.sedar.com).

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The 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 any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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