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NEWS RELEASE

TSX.V-SMZ

August 1, 2007

SINCHAO METALS ANNOUNCES YEAR END FINANCIALS AND OPERATING RESULTS

VANCOUVER, BRITISH COLUMBIA-Sinchao Metals Corp. (TSX.V-SMZ)-(all figures in Canadian dollars, unless otherwise noted)

Sinchao Metals Corp. is an exploration and development company focused on the Sinchao zinc-copper-silver-gold-lead mineralization project in Peru. Today it reports audited results for the 12 months ended March 31, 2007.

Highlights:

Financial

- On June 30, 2006, the Company completed its purchase of Corporacion Minera Sinchao from Andean American Mining.
- Andean American received 36,000,000 shares and 3,000,000 warrants as consideration in this transaction equaling a 75% ownership as of that date.
- Sinchao Metals now owns 100% of the Sinchao property.
- On December 15, 2006, Sinchao Metals Corp. was amalgamated with Dolce Enterprises Inc., a capital pool company on the TSX Venture Exchange.
- Sinchao Metals Corp. began trading on the TSX Venture Exchange under the symbol SMZ on December 21, 2006.
- As at March 31, 2007, the Company has assets of \$22,786,075.
- Expenditures for the year were \$2,197,586, primarily for exploration activities on the Sinchao property.
- Pre-tax loss for the year was \$1,094,393.
- At March 31, 2007, the Company had working capital of \$86,311 including an available cash balance of \$137,441.
- Subsequent to the year-end, Sinchao Metals received \$703,500 and issued 4,690,000 shares pursuant to the exercise of warrants.

Operational

- In October 2006, the Company received an NI 43-101 technical report containing updated information on exploration programs and recommended future drill programs.
- In January 2007, Sinchao Metals reported that sixty-four samples of skarn mineralization returned average values of 14.27% Zinc, 2.40% Lead, 1.87 g/t Gold, 85.04 g/t Silver and 1.40% Copper.
- Subsequent to the year end Sinchao Metals announced discovery of 10.25 metres grading 2.34% Copper in May, 2007.
- Drill program continues and an estimation of inferred resources is expected by year end.

“The outlook for the coming year is very exciting as we continue to move towards defining the resources at the Sinchao Property,” states President Andrew Gourlay, P. Geol. “We look forward to receiving results of the ongoing diamond drill program that will further test the continuity and limits of the Breccia Zone and test the High Grade Zinc in the Skarn Zone.”

Four mineralized systems have been identified on the Sinchao Property: the Skarn Zone, the Breccia Zone, the High Sulphidation Epithermal Zone and the Massive Sulphide Lenses. The Skarn Zone and the Breccia Zone each have the potential to host more than 500 million tonnes of mineralization, and have the possibility to host much more. The NI 43-101 report of March, 2006 estimated the following tonnages and grades: For the mineralized fault and breccia zone in the range of 40 to 81 million tonnes, with grades ranging from 0.06 to 1.90 g/t gold, 1.10 to 156.80 g/t silver, 0.02 to 3.09% copper, 0.002 to 0.24% lead and 0.004 to 1.08% zinc. For the mineralized skarn zone in the range of 437 to 874 million tonnes, with grades ranging from 0.01 to 2.47 g/t gold, 1.00 to 183.40 g/t silver, 0.02 to 1.47% copper, 0.02 to 3.4% lead and 0.02 to 4.11% zinc.

Investors are cautioned that the potential quantity and grade is conceptual in nature. At this time there has been insufficient exploration to define additional mineral resources and it is uncertain if further exploration will result in discovery of these mineral resources.

The complete Management Discussion and Analysis and Financial Statements will be filed at www.sedar.com. For further information call (604) 681-6186 or toll free: 1-888-356-4784 or visit our website at www.smzmetals.com.

Sinchao Metals Corp. is focused on the exploration and development of the Sinchao zinc-copper-silver-gold-lead mineralization 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.

On behalf of Sinchao Metals Corp;

Andrew W. Gourlay, P. Geol.
President

SINCHAO METALS CORP.
(An Exploration Stage Company)

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2007

	<u>March 31, 2007</u>
	\$
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	137,441
Accounts receivable (Note 5)	16,422
Due from related parties (Note 10)	366,533
Prepaid expenses	45,589
	<u>565,985</u>
MINERAL PROPERTIES (Note 6)	22,202,906
EQUIPMENT (Note 7)	17,184
	<u><u>22,786,075</u></u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	181,460
Due to related parties (Note 10)	298,214
	<u>479,674</u>
FUTURE INCOME TAX LIABILITIES (Notes 3 and 11)	5,723,679
	<u>6,203,353</u>
SHARE CAPITAL (Note 8)	17,317,558
CONTRIBUTED SURPLUS (Note 9)	633,412
DEFICIT	(1,368,248)
	<u>16,582,722</u>
	<u><u>22,786,075</u></u>

GOING CONCERN (Note 1)
SUBSEQUENT EVENT (Note 15)

APPROVED BY THE DIRECTORS

“ANDREW GOURLAY”
 DIRECTOR

“BRYAN MORRIS”
 DIRECTOR

SINCHAO METALS CORP.
(An Exploration Stage Company)
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
FOR THE YEAR ENDED MARCH 31, 2007

	<u>March 31, 2007</u>
OPERATING EXPENSES	\$
Administrative & management services (Note 10)	520,844
Investor relations	89,385
Office salaries and sundry	22,380
Professional fees	101,887
Stock based compensation (Note 8 (d))	359,178
Depreciation office equipment	719
	<u>1,094,393</u>
LOSS BEFORE OTHER ITEMS	<u>(1,094,393)</u>
OTHER (EXPENSE) INCOME	
Interest and other income	20,469
Bank charges and interest	(8,939)
Foreign exchange loss	(285,385)
	<u>(273,855)</u>
LOSS FOR THE YEAR AND DEFICIT	
END OF YEAR	<u><u>(1,368,248)</u></u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	
BASIC AND DILUTED	<u>40,033,660</u>
LOSS PER COMMON SHARE	
BASIC AND DILUTED	<u><u>(0.03)</u></u>

SINCHAO METALS CORP.
(An Exploration Stage Company)

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2007

	<u>March 31, 2007</u>
	\$
CASH PROVIDED FROM (USED FOR)	
OPERATING ACTIVITIES	
Loss for the year	(1,368,248)
Stock based compensation	359,178
Foreign exchange loss	285,385
Depreciation	719
	<u>(722,966)</u>
Change in non-cash working capital items:	
(Increase) in accounts receivable	(16,422)
(Increase) in due from related parties	(68,319)
(Increase) in prepaid expenses	(45,589)
Increase in accounts payable	181,460
	<u>(671,836)</u>
INVESTING ACTIVITIES	
Expenditures on mineral properties	(2,179,683)
Equipment	(17,903)
	<u>(2,197,586)</u>
FINANCING ACTIVITIES	
Common shares issued for cash	3,717,474
Share issue costs	(506,651)
Reorganization costs	(203,960)
	<u>3,006,863</u>
INCREASE IN CASH DURING YEAR	137,441
CASH - BEGINNING OF YEAR	<u>-</u>
CASH -END OF YEAR	<u>137,441</u>

SUPPLEMENTARY CASH FLOW INFORMATION (Note 14)