



Suite 355-601 West Cordova Street | Vancouver, BC Canada V6B 1G1 | Tel: 604.681.6186 | Fax: 604.681.3652 | www.sinchaometals.com

NEWS RELEASE

TSX.V: SMZ

August 21, 2007

TRENCHING EXTENDS MINERALIZED STRUCTURES IN SKARN ZONE, SINCHAO METALS CORP. EMPLOYEES UNHARMED AND WORK CONTINUES AFTER PERU EARTHQUAKE

VANCOUVER, BRITISH COLUMBIA- Sinchao Metals Corp. (TSX.V-SMZ) has verified that all its employees and their immediate families are safe and unharmed after the recent earthquake in Peru. The Company has a robust social responsibility mandate that includes a commitment to the well being of its employees and their families. Sinchao Metals' drilling and exploration program was not affected by the earthquake and work continues at the Sinchao property in northern Peru. Power outages may cause minor delays until repairs have been completed in the affected regions of the country. However, phone lines have been repaired.

The Company is pleased to announce the results of an additional 105 samples collected from thirteen trenches, a limited number of outcrops and 33 soil samples. Trenches were hand excavated just to the west of the previously reported trenching (See News Release dated July 12, 2007) near the eastern end of the Skarn Zone, in the vicinity of Hole SDH-26 (See News Release dated May 24, 2007). At least twelve structures similar to the one intersected in Hole SDH-26, have been identified. Please visit http://www.sinchaometals.com/charts_maps.htm and select Skarn Zone Drill Targets to view a diagram of the area.

“Our ongoing sampling work in the Skarn Zone continues to outline the wide spread mineralization of the area.” stated President Andrew Gourlay. “The results of this work will help us further define our drill targets as we carry on with our 2007 drill program. We look forward to providing drill results as they are received and moving towards identifying inferred resources on the property.”

The trench and outcrop samples returned average values of 0.27 g/t gold, 19.2 g/t silver, 0.09% copper, 0.25% lead and 0.32% zinc, with ranges of <0.005 to 3.72 g/t gold, 0.3 to 279.0 g/t silver, 0.002% to 0.83% copper, 0.004% to 2.80% lead and 0.007% to 2.58% zinc. The trench samples were from oxidized sulphides collected at surface, beneath a soil cover approximately 50cm deep.

The soil samples were collected as part of an ongoing orientation survey and returned average values of 0.11 g/t gold, 5.16 g/t silver, 0.17% copper, 0.15% lead and 0.36% zinc, with only a few isolated, anomalous copper, lead and zinc values.

The trench sampling continues to identify new anomalous areas over an area of approximately 400 metres by 400 metres, most with co-incident gold-silver-copper-lead-zinc in oxidized bedrock. The anomalous areas are associated with structures filled with oxidized sulphides and the structures are often related to faults. These areas will be systematically drill tested as part of the evaluation of the Skarn Zone. The structures remain open along strike and trenching is continuing to further define these mineralized structures and to identify additional structures.

Samples were collected using a hammer and rock chisel, over widths of 1.0 to 2.8 metres for channel samples, and from panel samples ranging from 1.1 by 1.4 metres to 1.0 by 4.3 metres.

Mr. Andrew Gourlay, P. Geol., President of Sinchao Metals Corp., is a Qualified Person as defined in the Canadian Securities Administrators National Instrument 43-101 with the ability and authority to verify the authenticity and validity of technical and scientific data. This news release has been prepared under Mr. Gourlay's supervision. All samples were prepared and analyzed by the CIMM Peru S.S. laboratory in Lima, Peru, an ISO-accredited laboratory. Standard reference materials, blanks and field duplicates were inserted prior to the shipment from site to monitor the quality control of analytical data.

On behalf of Sinchao Metals Corp.

“Andrew W. Gourlay”

Andrew W. Gourlay, P. Geol.
President

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.

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.smzmetals.com

The TSX Venture Exchange does not accept the responsibility for the adequacy or accuracy of this release.