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NEWS RELEASE

March 1, 2010

**SINCHAO METALS ANNOUNCES THIRD QUARTER 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 polymetallic mineralization project in Peru. Today it reports results for the 3 months ended December 31, 2009.

**Highlights:**

Financial

- Net loss for the quarter was \$258,114 compared to net income of \$268,041 for the same quarter in 2008. The increase in the net loss in the current quarter compared with the previous comparative quarter was due to an increase in foreign exchange loss.

Operational

- Only 15% of the geological targets on the Sinchao Property have been drill tested. An additional drill program of approximately 5,000m has been recommended in order to test the extensions of the Breccia Zone to the northwest and the Skarn Zone to the southeast. An additional 15,000 metres of drilling, contingent on the results of this drilling, has also been budgeted. The objectives of the planned drilling will be to increase the inferred resource and collect representative samples for metallurgical studies. Strategic partners may be involved.

The complete Management Discussion and Analysis and Financial Statements have been filed at [www.sedar.com](http://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](http://www.smzmetals.com). Andrew Gourlay, P. Geol., Geological Consultant, is the Qualified Person for the technical disclosure in this news release.

On behalf of Sinchao Metals Corp;

“John Huguet”

John Huguet

Chairman

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**About Sinchoa Metals Corp:**

Sinchoa Metals Corp. (TSX.V:SMZ) is focused on the exploration and development of the Sinchoa 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 Sinchoa 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).

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

**SINCHAO METALS CORP.**  
(An Exploration Stage Company)

**INTERIM CONSOLIDATED BALANCE SHEETS**  
See Note 1 – Nature of Operations and Going Concern Uncertainty

	<b>December 31, 2009</b>	December 31, 2008 (Restated - Note 4)	March 31, 2009
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	\$ 18,539	\$ 43,935	\$ 2,547
Accounts receivable	27,265	95,214	52,749
Due from related parties (Note 9)	222,748	125,349	408,216
Prepaid expenses	11,320	50,184	6,486
	<u>279,872</u>	<u>314,682</u>	<u>469,998</u>
<b>Mineral properties (Note 5)</b>	<b>30,920,909</b>	30,465,986	30,464,292
<b>Equipment (Note 6)</b>	<b>75,846</b>	111,350	103,466
	<u>\$ 31,276,627</u>	<u>\$ 30,892,018</u>	<u>\$ 31,037,756</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$ 395,825	\$ 458,532	\$ 471,890
Due to related parties (Note 9)	755,165	-	448,839
	<u>1,150,990</u>	<u>458,532</u>	<u>920,729</u>
<b>Future income tax liabilities</b>	<b>488,253</b>	356,693	488,253
	<u>1,639,243</u>	<u>815,225</u>	<u>1,408,982</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital (Note 7)	7,273,588	7,168,944	7,173,588
Warrants (Note 7(d))	-	2,604,930	2,604,930
Contributed surplus (Note 8)	5,340,412	2,345,170	2,639,784
Retained earnings	17,023,384	17,957,749	17,210,472
	<u>29,637,384</u>	<u>30,076,793</u>	<u>29,628,774</u>
	<u>\$ 31,276,627</u>	<u>\$ 30,892,018</u>	<u>\$ 31,037,756</u>

APPROVED BY THE DIRECTORS

“JOHN HUGUET”

DIRECTOR

“BRYAN MORRIS”

DIRECTOR

*The accompanying notes are an integral part of these interim consolidated financial statements.*

**SINCHAO METALS CORP.**  
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**INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS), COMPREHENSIVE INCOME (LOSS) AND  
RETAINED EARNINGS**

**FOR THE THREE AND NINE MONTH PERIODS ENDED**  
(Unaudited)

See Note 1 – Nature of Operations and Going Concern Uncertainty

	Three Months Ended December 31		Nine Months Ended December 31	
	2009	2008	2009	2008
	(Restated Note 4)		(Restated Note 4)	
<b>OPERATING EXPENSES</b>				
Administrative and management services	\$ 98,598	\$ 18,405	\$ 285,395	\$ 227,605
Depreciation	4,262	16,733	26,059	24,347
Investor relations	–	6,579	–	72,989
Office salaries and sundry	961	22,872	2,080	58,496
Professional fees	–	6,368	–	48,794
Regulatory and transfer agent	4,075	–	8,987	–
Stock based compensation (Note 5(f))	27,257	35,647	88,437	520,663
	<b>135,153</b>	106,604	<b>410,958</b>	952,894
<b>LOSS BEFORE OTHER ITEMS</b>	<b>(135,153)</b>	(106,604)	<b>(410,958)</b>	(952,894)
<b>OTHER INCOME (EXPENSE)</b>				
Interest and other income (expense)	(102,319)	(1,856)	(102,319)	17,547
Bank charges and interest	1,762	(2,059)	1,292	(12,808)
Foreign exchange gain (loss)	(22,404)	378,560	324,894	353,747
	<b>(122,961)</b>	374,645	<b>223,867</b>	358,486
<b>INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>(258,114)</b>	268,041	<b>(187,091)</b>	(594,408)
<b>RETAINED EARNINGS - BEGINNING OF PERIOD</b>	<b>17,281,498</b>	\$ 17,689,708	<b>17,210,475</b>	18,552,157
<b>RETAINED EARNINGS - END OF PERIOD</b>	<b>\$ 17,023,384</b>	\$ 17,957,749	<b>\$ 17,023,384</b>	\$ 17,957,749
<b>PER SHARE INFORMATION</b>				
Weighted average number of common shares outstanding (basic and diluted)	<b>70,763,452</b>	70,103,514	<b>70,323,493</b>	70,103,514
Net income (loss) per common share (basic and diluted)	<b>\$ (0.00)</b>	\$ 0.00	<b>\$ (0.00)</b>	\$ (0.01)

*The accompanying notes are an integral part of these interim consolidated financial statements.*

**SINCHAO METALS CORP.**  
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**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE AND NINE MONTH PERIODS ENDED**

(Unaudited)

See Note 1 – Nature of Operations and Going Concern Uncertainty

	Three Months Ended		Nine Months Ended	
	December 31		December 31	
	2009	2008	2009	2008
<b>CASH PROVIDED FROM (USED FOR):</b>				
<b>OPERATING ACTIVITIES</b>				
Net income (loss) for the period	\$ (258,114)	\$ 268,041	\$ (187,091)	\$ (594,408)
Adjustments for items not affecting cash:				
Stock based compensation	27,257	35,647	88,437	520,663
Unrealized foreign exchange loss (gain)	356,191	(261,461)	100,003	(269,075)
Depreciation	4,262	16,733	26,059	24,347
	<u>129,596</u>	<u>58,960</u>	<u>27,408</u>	<u>(318,473)</u>
Net changes in non-cash working capital items:				
Accounts receivable	(2,289)	39,165	25,484	(29,012)
Due from/to related parties	195,977	(156,664)	491,794	(47,454)
Prepaid expenses	(2,856)	(11,142)	(4,834)	26,489
Accounts payable	(24,059)	(47,931)	(76,065)	(36,309)
	<u>296,369</u>	<u>(117,612)</u>	<u>463,787</u>	<u>(404,759)</u>
<b>INVESTING ACTIVITIES</b>				
Expenditures on mineral properties	(302,845)	(287,556)	(449,356)	(3,047,981)
Equipment	1,561	(17,277)	1,561	(53,501)
	<u>(301,284)</u>	<u>(304,833)</u>	<u>(447,795)</u>	<u>(3,101,482)</u>
<b>FINANCING ACTIVITIES</b>				
Share issue costs	-	-	-	6,337
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,337</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(4,915)</b>	<b>(422,445)</b>	<b>15,992</b>	<b>(3,499,904)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD</b>	<b>23,454</b>	<b>466,380</b>	<b>2,547</b>	<b>3,543,839</b>
<b>CASH AND CASH EQUIVALENTS - END OF PERIOD</b>	<b>\$ 18,539</b>	<b>\$ 43,935</b>	<b>\$ 18,539</b>	<b>\$ 43,935</b>

*The accompanying notes are an integral part of these interim consolidated financial statements.*