



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

NEWS RELEASE

August 29, 2008

SINCHAO METALS ANNOUNCES FIRST 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 June 30, 2008.

Highlights:

Financial

- Loss for the quarter was \$8,670 compared to net income of \$110,988 for the same quarter in 2007 and net income per share of \$0.000 compared to \$0.002 net income per share in 2007. The loss in the quarter compared to the prior year was due to the fluctuation in exchange rates and the resulting reduction in the foreign exchange gain.

Operational

- Copper-Gold-Silver mineralization has now been identified over an area of approximately 750 metres by 300 metres, and to a depth of approximately 400 metres, along two northeast-southwest sections.
- Step-out drilling continues to intersect mineralization, with drill rigs working 150 metres to the northwest and 300 metres to the southeast.

“We are pleased with the continuing positive results of our drill program,” states President Andrew Gourlay, “and we look forward to further defining the extent of the mineralization on this property.”

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. Andrew Gourlay, P. Geol., President of Sinchao Metals Corp. is the Qualified Person for the technical disclosure in this news release.

On behalf of Sinchao Metals Corp;

Andrew W. Gourlay, P. Geol.
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

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.

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

SINCHAO METALS CORP.
(An Exploration Stage Company)

INTERIM CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars, except where noted)

	June 30, 2008	March 31, 2008
	(unaudited)	(audited)
ASSETS		
Current		
Cash and cash equivalents	2,165,425	3,543,839
Accounts receivable	127,318	66,202
Due from related parties (Note 8)	301,173	77,895
Prepaid expenses	22,463	76,673
	2,616,379	3,764,609
Mineral properties (Note 4)	27,039,598	25,735,740
Equipment (Note 5)	81,919	78,984
	29,737,896	29,579,333
LIABILITIES		
Current		
Accounts payable and accrued liabilities	602,300	494,841
Due to related parties (Note 8)	239,999	-
	842,299	494,841
Future income tax liabilities	5,609,829	6,080,372
	6,452,128	6,575,213
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	21,928,580	21,922,243
Warrants (Note 6(d))	2,604,930	2,615,286
Contributed surplus (Note 7)	2,008,844	1,714,507
Deficit	(3,256,586)	(3,247,916)
	23,285,768	23,004,120
	29,737,896	29,579,333

GOING CONCERN (Note 1)

APPROVED BY THE DIRECTORS

"ANDREW GOURLAY"
DIRECTOR

"BRYAN MORRIS"
DIRECTOR

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

SINCHAO METALS CORP.
(An Exploration Stage Company)

**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS,
 COMPREHENSIVE INCOME (LOSS) AND DEFICIT**
(unaudited)
(Expressed in Canadian Dollars, except where noted)

	Three Months Ended June 30,	
	2008	2007
OPERATING EXPENSES		
Administrative and management services	\$ 95,712	\$ 84,199
Investor relations	54,161	20,938
Office salaries and sundry	21,305	14,042
Professional fees	29,115	3,691
Stock based compensation (Note 6(f))	240,353	309,135
Depreciation	3,645	541
	444,291	432,546
LOSS BEFORE OTHER ITEMS	(444,291)	(432,546)
OTHER INCOME (EXPENSE)		
Interest and other income	12,638	2,209
Bank charges and interest	-	(4,012)
Foreign exchange gain (loss)	422,983	545,337
	435,621	543,534
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(8,670)	110,988
DEFICIT - BEGINNING OF PERIOD	(3,247,916)	(1,368,248)
DEFICIT - END OF PERIOD	\$ (3,256,586)	\$ (1,257,260)
PER SHARE INFORMATION		
Weighted average number of common shares outstanding (basic and diluted)	70,103,514	53,728,462
Net income (loss) per common share (basic and diluted)	\$ (0.000)	\$ 0.002

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

SINCHAO METALS CORP.
(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars, except where noted)

	Three Months Ended June 30,	
	2008	2007
CASH PROVIDED FROM (USED FOR):		
OPERATING ACTIVITIES		
Net income (loss) for the period	\$ (8,670)	\$ 110,988
Adjustments for items not affecting cash:		
Stock based compensation	240,353	309,135
Unrealized foreign exchange (gain) loss related to future income tax liability	(470,612)	(576,907)
Depreciation	3,645	541
	(235,284)	(156,243)
Net changes in non-cash working capital items:		
Accounts receivable	(61,116)	(3,955)
Due from related parties	16,721	56,311
Prepaid expenses	54,210	(39,986)
Accounts payable	107,459	(63,405)
	(118,010)	(207,278)
INVESTING ACTIVITIES		
Expenditures on mineral properties	(1,260,230)	(466,738)
Equipment	(6,511)	(4,096)
	(1,266,741)	(470,834)
FINANCING ACTIVITIES		
Common shares issued for cash	-	705,000
Share issue costs	6,337	-
	6,337	705,000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(1,378,414)	26,888
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	3,543,839	137,441
CASH AND CASH EQUIVALENTS -END OF PERIOD	\$ 2,165,425	\$ 164,329

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