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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Sino Prosper State Gold Resources Holdings Limited**, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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SINO PROSPER STATE GOLD RESOURCES HOLDINGS LIMITED
中盈國金資源控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 766)

PLACING OF NEW SHARES UNDER A SPECIAL MANDATE

Placing Agent

SAMSUNG SECURITIES 

Samsung Securities (Asia) Limited

A notice convening an extraordinary general meeting of the Company to be held at Units 1702-04, 17/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Thursday, 15 April 2010 at 10:00 a.m. is set out on pages 14 to 15 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting if you so wish.

26 March 2010

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Notice of EGM	14

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the conditional acquisition of the entire issued capital of Favour South Limited, including 70% of the registered and paid up capital of Ao Han Qi Xin Rui En Mineral Industry Co., Ltd. (敖漢旗鑫瑞恩礦業有限責任公司) as announced by the Company dated 25 January 2010, and the current business scope of Ao Han Qi Xin Rui En Mineral Industry Co., Ltd. (敖漢旗鑫瑞恩礦業有限責任公司) includes gold mine exploitation, selection of gold and sale of mineral products
“Articles”	the articles of association of the Company adopted pursuant to a written resolution passed by all the then Shareholders on 25 April 2002, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Book Building Closing Date”	the expected date of completion of the book building process in respect of the Placing as notified at least two business days before the Closing Date by the Placing Agent to the Company
“business day”	any day (other than a Saturday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Closing Date”	10:00 a.m. on the business day which is two business days immediately after the Book Building Closing Date or such other time or date as the Company and the Placing Agent shall agree on which completion of the Placing Agreement shall take place
“Company”	Sino Prosper State Gold Resources Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange

DEFINITIONS

“Completion”	completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for approving, among other matters, the grant of a special mandate to allot and issue new Shares in connection with the Placing
“Engagement Letter”	the Engagement Letter dated 5 March 2010 and entered into between the Company and the Placing Agent in relation to the Placing, brief details of which have been set out in the Company’s announcement dated 5 March 2010
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Latest Practicable Date”	24 March 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Leung”	Mr. Leung Ngai Man, an executive Director and a substantial Shareholder

DEFINITIONS

“Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best efforts basis, of up to 3,600 million Shares pursuant to the terms of the Engagement Letter and the Placing Agreement
“Placing Agent” or “Samsung”	Samsung Securities (Asia) Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, the Placing Agent
“Placing Agreement”	the conditional placing agreement dated 12 March 2010 (as amended by a supplemental agreement dated 23 March 2010) and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	no later than 4:00 p.m. on the Book Building Closing Date, the Placing Agent shall give notice to the Company of the Placing Price, which (i) will be no less than HK\$0.10 per Share, and (ii) will represent a discount of not more than 20% to the “benchmark price” (having such meaning as ascribed to such term under Rule 13.36(5) of the Listing Rules) as of the date of the Book Building Closing Date
“Placing Shares”	up to a total of 3,600 million Shares to be placed under the Placing
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



SINO PROSPER STATE GOLD RESOURCES HOLDINGS LIMITED

中盈國金資源控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 766)

Executive Directors:

Mr. Leung Ngai Man
Mr. Sung Kin Man
Mr. Yeung Kit
Mr. Wong Wa Tak
Mr. Ng Kwok Chu, Winfield

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

Mr. Chan Sing Fai
Mr. Cai Wei Lun
Dr. Leung Wai Cheung

*Head office and principal place of
business in Hong Kong:*

Units 1702-04, 17/F
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

26 March 2010

To the Shareholders and, for information purposes only, the holders of outstanding options and warrants of the Company

Dear Sir/Madam,

PLACING OF NEW SHARES UNDER A SPECIAL MANDATE

INTRODUCTION

Reference is made to the announcements of the Company dated 5, 12 and 23 March 2010 respectively in relation to the engagement of Samsung to place the new Shares to be procured by Samsung and the entering into of the Placing Agreement.

LETTER FROM THE BOARD

On 12 March 2010 (after the trading hours of the Stock Exchange)(as amended by a supplemental agreement dated 23 March 2010), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best efforts basis, up to 3,600 million Placing Shares to the Placees who and whose ultimate beneficial owners will be Independent Third Parties at a price which will be not less than HK\$0.10 per Placing Share and will represent a discount of not more than 20% to the “benchmarked price” (having such meaning as ascribed to such term under Rule 13.36(5) of the Listing Rules) as of the date of the Book Building Closing Date. The Placing Shares are to be issued under a special mandate to be sought at the EGM.

This circular is to give you details of the Placing Agreement and to give notice of the EGM.

THE PLACING AGREEMENT

Date : 12 March 2010 (after the trading hours of the Stock Exchange) (as amended by a supplemental agreement dated 23 March 2010)

Parties :

Issuer : the Company

Placing Agent : Samsung

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties. Pursuant to the Placing Agreement, the Placing Agent has agreed, as agent of the Company, on a best efforts basis, to procure Placees to subscribe for the Placing Shares at the Placing Price.

Placees

The Placing Shares will be placed to the Placees which are independent professional, institutional and other investors, and who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees become a substantial Shareholder after Completion, further announcement will be made by the Company.

Number of Placing Shares

The maximum number of Placing Shares of 3,600 million Shares represent approximately 135.23% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 57.49% of the issued share capital of the Company as enlarged by the Placing (assuming there is no new issue nor repurchase of Shares during the period).

LETTER FROM THE BOARD

Placing Price

The Placing Price will be determined by the Placing Agent with reference to the prevailing market price of the Shares. The Placing Price will be not less than HK\$0.10 per Placing Share and will represent a discount of not more than 20% to the “benchmarked price” (having such meaning as ascribed to such term under Rule 13.36(5) of the Listing Rules) as of the date of the Book Building Closing Date, which is equivalent to the higher of (i) the closing price per Share as quoted on the Stock Exchange on the Book Building Closing Date; or (ii) the average of the closing prices per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Book Building Closing Date. Subject to the fulfillment (or waiver by the Placing Agent) of the conditions precedent as set out in the Placing Agreement by 31 May 2010, the Book Building Closing Date can be any date after the date of the EGM, but before the said longstop date or, as the case may be, an earlier date of termination of the Placing Agreement. As advised by the Placing Agent, as at the date hereof, the Book Building Closing Date has yet been determined.

As an indication only, based on the closing price on the Latest Practicable Date of HK\$0.145 and the average closing price in the five trading days immediately prior to the Latest Practicable Date of HK\$0.1456, the benchmarked price will be HK\$0.1456. Based on this indicative benchmarked price, the Placing Price will not be less than HK\$0.117. The indicative Placing Price of HK\$0.117 represents (i) a discount of approximately 19.31% to the closing price of HK\$0.145 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and (ii) a discount of approximately 19.64% to the average of the closing prices per Share of HK\$0.1456 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Latest Practicable Date.

Given the stock market conditions, the amount of funds needed to support the Group’s mining operations and the corresponding size of the Placing Shares involved (which represent approximately 135.23% of the existing issued share capital), the Directors (including the independent non-executive Directors) consider that the Placing and the basis for determination of the “benchmarked price” of the Placing Price and the Placing Price are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

Commissions

Upon the allotment and issue of the Placing Shares, the Placing Agent will receive a placing commission of 3.0% on the gross proceeds of the issue of such Placing Shares. Gross proceeds means Placing Price multiplied by the number of Placing Shares issued pursuant to the Placing. The Placing commission was negotiated on an arm’s length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rates charged by other placing agents. The Directors consider that the terms of the Placing Agreement, including the Placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Ranking of Placing Shares

The Placing Shares shall rank pari passu in all respects among themselves and with the existing issued Shares as at the date of the allotment.

Conditions of the Placing

The obligation of the Placing Agents to proceed to Completion is conditional upon:

- (1) the Placing Agent having received:
 - (a) from the Company, certified board resolutions approving the Placing and the entering into of the Placing Agreement and to be bound by the terms thereof;
 - (b) from the Company, certified shareholders' meeting resolutions approving the special mandate for the Placing Shares;
 - (c) Cayman, Hong Kong and PRC legal opinions each in a form to the reasonable satisfaction to the Placing Agent;
 - (d) a signed original of the lock-up deed of undertaking duly executed by Mr. Leung; and
 - (e) an undertaking from Mr. Leung and his associates to vote in favour of the resolution(s) to approve the Acquisition at an extraordinary general meeting of the Company for considering and (if thought fit) approving (among other matters) the Acquisition, provided that they are not disqualified from voting at such meeting.
- (2) the Listing Committee having granted the listing of and permission to deal in the Placing Shares;
- (3) the absence, during all times prior to Completion, of (a) any breach of, or any event rendering untrue, incorrect or breached in any material respect, any of the representations, warranties or undertakings referred to in the Placing Agreement or (b) any material breach of, or failure to fulfill, any of the other agreements, conditions and/or obligations of the Company which are required to be fulfilled at or before Completion;

LETTER FROM THE BOARD

- (4) the absence, during all times prior to Completion, of (a) any change in local or international financial, political, military, economic or market (including stock market) conditions or currency exchange rates or exchange controls or (b) any suspension of dealings in the Shares for a period of five consecutive business days (even if such suspension is subsequently lifted prior to Completion) other than as a result of the Placing or trading suspension pending announcement of the acquisition of the Inner Mongolian mines (being the subject matter of the Acquisition), or any cancellation of the listing of the Shares, on the Stock Exchange or (c) any adverse announcement, determination or ruling of any governmental or other regulatory body (including a delay in the approval of the announcement on the Placing Agreement or any other relevant announcement by any relevant stock exchange), which would (in any case mentioned in (a), (b) or (c) above), in the opinion of the Placing Agents, prejudice materially the success of the Placing;
- (5) the absence of any imposition of any moratorium, suspension or material restriction or trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to Completion; and
- (6) the passing of an ordinary resolution by Shareholders at the EGM for the grant of a special mandate to allot and issue Placing Shares.

If the above conditions have not been satisfied or waived (as applicable) by the Placing Agent by Completion, the Placing Agreement and the obligations of the Company and the Placing Agent thereunder shall cease and terminate, and no party thereto shall be under any liability to any other for costs, damages, charges, compensation or otherwise under the Placing Agreement (including the commissions), except (a) in relation to obligations, agreements and liabilities arising prior to such termination, (b) that the Company shall remain liable for the payment of all costs and expenses (excluding for the avoidance of doubt any commission) already incurred or to be incurred in consequence of such termination by the Placing Agent; and (c) the provisions of indemnity by the Company to the Placing Agent under the Placing Agreement shall remain in full force and effect.

The Placing Agent may, in its absolute discretion, waive or extend the time for fulfilment of all or any or any part of the above conditions (other than conditions (2) and (6) above) by notice in writing to the Company, save that such time shall not be extended beyond 31 May 2010.

Completion is subject to the fulfillment of the conditions precedent as set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

LETTER FROM THE BOARD

Mandate to issue the Placing Shares

The issue of the Placing Shares is subject to Shareholders' approval at an EGM to be convened at which a special mandate would be sought to approve the Placing Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Placing Shares at the Placing Price.

Lock-up undertakings

Pursuant to the Placing Agreement, the Company has undertaken to procure the Mr. Leung (including his nominees, companies controlled by him and/or trusts associated with him (whether individually or together and whether directly or indirectly)) to undertake to the Placing Agent that from the date of the Placing agreement and on or prior to the date being 90 days after the Closing Date not to (without the prior written consent of the Placing Agent):

- (a) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (excluding the Placing Shares) or any interests therein or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests; or
- (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares or interests, whether any such transaction described in (a) or in this paragraph is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (c) announce any intention to enter into or effect any such transaction described in (a) or (b) above.

The lock-up provision does not restrict Mr. Leung or any of his nominees, companies controlled by him and/or trusts associated with him (whether individually or together and whether directly or indirectly) from purchasing any Shares.

LETTER FROM THE BOARD

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company in the following scenarios (i) as at the Latest Practicable Date; (ii) immediately after Placing but before the exercise of the convertible bonds held by Mr. Leung, a Director and his associates; and (iii) for illustrative purposes only, immediately after the Placing and assuming the exercise in full of all the convertible bonds held by Mr. Leung and his associates:

	As at the Latest Practicable Date		Immediately after the Placing but before the exercise of the convertible bonds		Immediately after the Placing and the exercise of the convertible bonds	
	<i>No of Shares</i>	<i>%</i>	<i>No of Shares</i>	<i>%</i>	<i>No of Shares</i>	<i>%</i>
Mr. Leung and his associates						
- Existing Shares	737,150,000	27.69	737,150,000	11.77	737,150,000	9.87
- Shares to be issued after the exercise of the convertible bonds held by Mr. Leung and his associates	-	-	-	-	1,209,781,813	16.19
Mr. Leung and parties acting in concert with it	737,150,000	27.69	737,150,000	11.77	1,946,931,813	26.06
Mr. Wong Wa Tak, a Director	1,600,000	0.06	1,600,000	0.03	1,600,000	0.02
Placees under the Placing	-	-	3,600,000,000	57.49	3,600,000,000	48.18
Other existing public Shareholders	1,923,313,158	72.25	1,923,313,158	30.71	1,923,313,158	25.74
Total	<u>2,662,063,158</u>	<u>100.00</u>	<u>6,262,063,158</u>	<u>100.00</u>	<u>7,471,844,971</u>	<u>100.00</u>

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in investment in energy, precious metals and resources related projects in the PRC.

LETTER FROM THE BOARD

The Board considers that the Placing represents an opportunity to raise additional funds for the Company while broadening the Shareholder and capital bases of the Company. Assuming the Placing Price to be HK\$0.10 per Share and up to 3,600 million Placing Shares issued to the Placees, the net proceeds from the Placing, after the deduction of the placing commission and other related expenses, are estimated to be approximately HK\$349.0 million, representing a net issue price of approximately HK\$0.097 per Placing Share. Assuming the acquisition agreement in relation to the Acquisition will become unconditional and proceed to completion, the Directors intend to use part of the net proceeds for the Acquisition. The net proceeds will be used as to (i) approximately HK\$159 million for the Acquisition; (ii) as to approximately HK\$159 million for the up-grading of the ore-processing plant to daily processing capacity to 1,000 tonnes nearby the gold mine to be acquired under the Acquisition; (iii) approximately HK\$17 million for the exploration of the gold mines acquired by the Group in 2009; and (iv) as to the balance for the general working capital of the Group and to finance any possible acquisition plan of the Group in the future. In the event that the Acquisition cannot be completed, the Directors intend to apply the use of proceeds from the Placing as general working capital of the Group and to finance any possible acquisition plan of the Group in the future. Save for the Acquisition, the Company had no specific acquisition plans and had not identified any acquisition targets as at the Latest Practicable Date.

Shareholders should note that the completion of the Acquisition is subject to the fulfillment of the conditions precedent as set out in the announcement of the Company dated 25 January 2010. As the Acquisition may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company did not conduct any fund raising activities involving the issue of its securities in the past twelve months immediately preceding the Latest Practicable Date:

Announcement date	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
14 October 2009	Top-up placing of 342,270,000 Shares at a price of HK\$0.25 per placing Share	Approximately HK\$84.2 million	General working capital and finance any possible acquisition plan of the Group in future	Utilised for partial settlement of the promissory notes as disclosed in the announcement of the Company dated 28 April 2009

EGM

The EGM will be held at Unit 1702-1704, 17/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Thursday, 15 April 2010 at 10:00 a.m. to consider and, if thought fit, approve the necessary ordinary resolution in connection with the Placing Agreement and the transactions contemplated thereunder including but not limited to the allotment and issue of the Placing Shares. A notice convening the EGM is set out on pages 14 to 15 of this circular.

LETTER FROM THE BOARD

Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event not later than 48 hours before the time for the EGM or any adjournment thereof to the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

The resolution proposed to be approved at the EGM will be taken by poll and an announcement will be made by the Company after the EGM on the poll results.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

Based on the reasons set out in the paragraph headed "Reasons for the Placing and use of proceeds" above, the Board considers that the terms of the Placing are fair and reasonable so far as the Shareholders are concerned and the Placing is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to be put forward to the Shareholders at the EGM to consider and, if thought fit, approve the Placing Agreement and the transactions contemplated thereunder.

Yours faithfully,
By Order of the Board
Sino Prosper State Gold Resources Holdings Limited
Sung Kin Man
Chief Executive Officer and Executive Director

NOTICE OF EGM



SINO PROSPER STATE GOLD RESOURCES HOLDINGS LIMITED

中盈國金資源控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 766)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Sino Prosper State Gold Resources Holdings Limited (the “Company”) will be held at Units 1702-04, 17/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Thursday, 15 April 2010 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to the fulfillment of the terms and conditions set out in the Placing agreement dated 12 March 2010 (the “Placing Agreement”) entered into between the Company and Samsung Securities (Asia) Limited (a copy of the Placing Agreement having been produced to the meeting and marked “A” and initialed by the chairman of the meeting for the purpose of identification) in respect of the placing of up to 3,600 million shares of HK\$0.01 each in the capital of the Company (the “Placing Shares”) at a placing price to be not less than HK\$0.10 each and representing a discount of not more than 20% to the “benchmark price” (having such meaning as ascribed to such term under Rule 13.36(5) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) and on such terms and conditions set out thereon (the “Proposed Placing”):

- (i) the Placing Agreement in relation to the Proposed Placing and the matters contemplated thereunder be and are hereby approved, confirmed and ratified;
- (ii) the placing of the Placing Shares to the placees pursuant to the Placing Agreement be and is hereby approved and the directors of the Company (the “Directors”) be and are hereby authorised to allot and issue the Placing Shares pursuant to the Placing Agreement; and

NOTICE OF EGM

- (iii) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Placing Agreement and the transactions contemplated thereunder and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents, which are not fundamentally different from those as provided under the Placing Agreement) as are, in the opinion of the Directors, in the interest of the Company and its shareholders as a whole.”

Yours faithfully,

By Order of the Board

Sino Prosper State Gold Resources Holdings Limited

Sung Kin Man

Chief Executive Officer and Executive Director

Hong Kong, 26 March 2010

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Units 1702-04, 17/F
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Notes:

- (1) Any member of the Company entitled to attend and vote at the above meeting convened by this notice is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not to be a Shareholder.
- (2) To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time for holding the above meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto to if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.