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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)

**(A) Appointment of advisers
and establishment of advisory committee**
**(B) Appointment of Mr Garry Stein
to the post of Director of
Corporate Development of the Group**
(C) Grant of share options

(A) APPOINTMENT OF ADVISERS AND ESTABLISHMENT OF ADVISORY COMMITTEE

In view of the Group's latest development into PRC precious metals industry, the Company has established the Advisory Committee. Through the appointment by a wholly owned subsidiary of the Company, two persons (namely, Mr Stewart Winter and Mr Steve Vaughan) have become advisers to the Company. These two advisers together with Mr Garry Stein are the initial members of the Advisory Committee.

(B) APPOINTMENT OF MR GARRY STEIN TO THE POST OF DIRECTOR OF CORPORATE DEVELOPMENT OF THE GROUP

Mr Garry Stein, whose appointment as an executive adviser to the Group was disclosed in the Company's announcement dated 8 January 2010, has been appointed to become the Director of Corporate Development of the Group with effect from 1 May 2010. For the avoidance of doubt, Mr Stein is not a director of the Company.

(C) GRANT OF SHARE OPTIONS

Some options to subscribe for shares in the Company were granted to members of the Advisory Committee, a Director and two members of the senior management of the Group. Relevant information concerning such grants as required under Rule 17.06A of the Listing Rules is set out below in the main text of this announcement.

(A) APPOINTMENT OF ADVISERS AND ESTABLISHMENT OF ADVISORY COMMITTEE

The Board is pleased to announce the establishment of the Advisory Committee to the Board. The Company views this as a significant and logical step in its rapid development into the PRC precious metals industry, which is aimed at meeting international corporate governance standards.

The Advisory Committee of Sino Prosper is meant to provide an independent expert review on behalf of the executive management and the Board of the operation, plans and proposed investments of the Group. Meeting on at least a quarterly basis, the Advisory Committee will review such operational report, plans, performance and proposed new initiatives/acquisitions, and provide the Board and the Group's management of the Advisory Committee's expert views relevant to these activities and make their recommendations and suggestions.

The Group has sought members for the Advisory Committee on basis of their understanding of and experience in the PRC mining industry, and also on their understanding of international practices and governance standards.

In this regard, the Board is pleased to advise the appointment of the Advisory Committee, which will initially have three members, namely, Mr Garry Stein (as an ex officio member and the initial chairman of the Advisory Committee), Mr Vaughan and Mr Winter. The appointment of Mr Stein as Executive Advisor to the Company was announced in the Company's announcement dated 8 January 2010. Mr Vaughan and Mr Winter are appointed as advisers to the Group and have become ex officio members of the Advisory Committee. For the avoidance of doubt, they are not employees of the Group. Their roles are purely advisory, and do not assume any executive or management functions. Brief biographies of Mr Vaughan and Mr Winter are set out in the annex to this announcement.

The Board would extend its warm welcome to Messrs Stein, Winter and Vaughan as members of the Advisory Committee and appreciates their agreement to provide their valuable insight and advice to the Company.

(B) APPOINTMENT OF MR GARRY STEIN TO THE POST OF DIRECTOR OF CORPORATE DEVELOPMENT OF THE GROUP

Mr Garry Stein, whose appointment as an executive adviser to the Group was mentioned in the Company's announcement dated 8 January 2010, has been appointed to become the Director of Corporate Development of the Group with effect from 1 May 2010. Mr Stein's profile was disclosed in the said announcement dated 8 January 2010. In his new role with the Group, Mr Stein will have primary responsibility for the Company's strategic planning, acquisitions, performance monitoring, governance and capital markets activities. He will report to the Chief Executive Officer and the Chairman of the Company and will work closely with them to help further the expected rapid development of the Group's business activities. For the avoidance of doubt, Mr Stein is not a director of the Company. The Board would like to express its warm welcome to Mr Stein in his new position with the Group.

(C) GRANT OF SHARE OPTIONS

This part of the announcement is made pursuant to Rule 17.06A of the Listing Rules. On 4 May 2010, options (“Options”) to subscribe for up to 47 million Shares were granted to eligible grantees under the Share Option Scheme. The following are the brief details of the Options granted:

Date of grant	:	4 May 2010
Number of Shares being the subject of the Options granted	:	up to 47 million Shares
Exercise price of the Options granted	:	HK\$0.30 per Share
Closing price of the Shares on the date of grant	:	HK\$0.22 per Share
Average closing price of the Shares for the five business days immediately preceding the date of grant	:	HK\$0.196 per Share
Name(s) of the Director(s), chief executive(s) or substantial shareholder(s) of the Company and their respective associates (if any) and the number of Shares being the Options granted to each of them	:	Mr Sung Kin Man (an executive Director and the Chief Executive Director of the Company) – Option in respect of up to 10 million Shares Ms Wu Wei Hua (the Finance Manager of the Group in the PRC) – Option in respect of up to 8 million Shares Mr Liu Jia Qing (general manager of Sino Prosper Mineral Investment Limited, a subsidiary of the Company) – Option in respect of up to 8 million Shares
Validity period (i.e. exercise period) of the Options	:	expected from 4 February 2011 to 3 May 2020

Members of the Advisory Committee are also granted Options to subscribe, in aggregate, for up to 21 million Shares.

The grant of the Options to the above executive Director and the senior management was approved by the independent non-executive directors of the Company in compliance with Rule 17.04(1) of the Listing Rules.

Save as disclosed above, none of the grantees of the Options are a Director, a chief executive or a substantial shareholder of the Company, or an associate of any of them.

(D) TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions shall, unless the context otherwise requires, have the meanings set out below:

“Advisory Committee”	a committee set up by a resolution passed by the Board on 4 May 2010, which has defined terms of reference and whose duty is, among others, to review, give opinions and make recommendations to the Board on the operations, business plans, activities and performance of the Group and on any proposed new initiatives or acquisitions of the Group
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Directors”	directors of the Company
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr Vaughan”	Mr W.S. (“Steve”) Vaughan, an adviser to the Group and a member of the Advisory Committee
“Mr Winter”	Mr Lionel Donald Stewart Winter, an adviser to the Group and a member of the Advisory Committee
“Option(s)”	the option(s) to subscribe for Shares as mentioned in section (B) of this announcement
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Share Option Scheme”	the share option scheme of the Company, adopted by a resolution passed on 25 April 2002 by the then sole shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
Sino Prosper State Gold Resources Holdings Limited
NG Kwok Chu, Winfield
Executive Director

Hong Kong, 5 May 2010

As at the date of this announcement, the executive Directors of the Company are Mr Leung Ngai Man, Mr Sung Kin Man, Mr Yeung Kit, Mr Wong Wa Tak and Mr Ng Kwok Chu, Winfield, and the independent non-executive Directors of the Company are Mr Chan Sing Fai, Mr Cai Wei Lun and Dr Leung Wai Cheung.

Brief biographies of Mr Winter and Mr Vaughan

LIONEL DONALD STEWART WINTER

Mr Lionel Donald Stewart Winter, aged 76, is a highly regarded international mining executive and consultant with over 40 years of industry experience. Mr Winter holds a Bachelor of Applied Science degree (Mining Engineering) from the University of Toronto, and a Master of Science (Applied) degree (Geological Sciences) from McGill University. Among his other professional designations, Mr Winter is a Registered Professional Geologist (P.Geo.) in both the Province of Ontario and in the Province of British Columbia, Canada. He is a Life Member of Canadian Institute of Mining and Metallurgy (CIM) and a Life Member Prospectors and Developers Association of Canada (PDAC).

Mr Winter has a broad range of experience including as an educator and was responsible for establishing the mining and geology department at Cambrian College in Sudbury, Ontario, Canada. He has extensive field and operating experience in mine production and supervision, as a field and mine exploration geologist and manager, as a project manager, and as a consulting geologist. Mr Winter is fully qualified and has acted as the “Qualified Person” responsible for NI 43-101 compliant resource estimates. Mr Winter has undertaken these activities for both junior exploration and major international companies, public and private, and over a wide range of mineral products, including diamonds, gold, silver, uranium, diamonds and base metals. His management and consulting roles have involved operations in Canada, South America and China. In particular, he has acted as an independent consultant for a number of mining companies in China and has extensive experience with PRC geology, operating methods and requirements and industry practices.

Mr Winter continues to provide geologic consulting services to a wide range of clients internationally through Winterbourne Explorations Ltd., which he established in 1981.

W.S. (“STEVE”) VAUGHAN

Mr W.S. (“Steve”) Vaughan, aged 73, is a leading international expert on mining and natural resources law, and a Partner in the Business Law Group of major Canadian law firm, Heenan Blaikie. A prominent lawyer with a background in law and geology, which paved the way for a practice in the mining, oil and gas, geothermal, coal bed methane and nuclear industries, Mr Vaughan possesses extensive international experience and formidable knowledge. For more than four decades, Mr Vaughan has advised and represented Canadian and international companies, served on many governmental advisory committees and, in recent years, has been involved in natural resources transactions in more than 60 countries. He has extensive experience in dealing with projects, companies and agencies in the PRC. He is or has been a member or director of natural resource and mining companies such as the Algoma Central Corporation, the Apollo Gold Corporation and Western Troy Capital Resources, among others, as well as numerous professional and trade associations including the Toronto Branch of the Canadian Institute of Mining, Metallurgy and Petroleum, the Prospectors and Developers Association of Canada and the joint Toronto Stock Exchange/Ontario Securities Commission Mining Standards Task Force.

Trained in both geology and law, Mr Vaughan holds a Bachelor of Science degree, University of New Brunswick; Master of Science degree, McGill University and a Bachelor of Civil Law, University of New Brunswick. His professional affiliations include the American Bar Association; Canadian Bar Association; International Bar Association; Canadian Institute of Mining, Metallurgy and Petroleum; International Mining Professionals Society; Prospectors and Developers Association of Canada and The Law Society of Upper Canada (Ontario).

Possessing an exceptional reputation in his field, Mr Vaughan is listed as one of the outstanding Canadian experts on mining law in the International Who's Who of Business Lawyers, in Chambers Global 2010: The World's Leading Lawyers for Business and in Lexpert/American Lawyer's Guide to the Leading 500 Lawyers in Canada as well as in the area of natural resources law in The Best Lawyers in Canada (Woodward/White). The Martindale-Hubbell Law Directory gives him its top recommendation and Legal Media Group/Euromoney Institutional Investor ranks him as one of the best project finance and energy-natural resources lawyers in Canada.

Mr Vaughan has written numerous publications on natural resource financing, mining, international due diligence and related securities law issues published by The Canadian Institute, The Law Society of Upper Canada, the Prospectors and Developers Association of Canada, Insight, the Conference Board of Canada and the Rocky Mountain Mineral Law Foundation.