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24 October 2011

**GOLDEN PROSPECT PRECIOUS METALS LIMITED**

**GBP18.6 million Placing of New Ordinary Shares  
Publication of CISX Listing Document in connection with the Bonus Issue of  
Subscription Shares and the Placing**

Further to the announcements of 14 September 2011 and 18 October 2011, Golden Prospect Precious Metals Limited ("**GPPM**" or the "**Company**"), the investment company which invests in gold and precious metals companies, is pleased to announce that it has conditionally raised £18.6 million, before expenses, by way of a Placing (the "**Placing**") with institutional and other investors (including existing shareholders) of 16,630,000 new ordinary shares of GBP0.001 each in the Company (the "**Placing Shares**") at a price of 112 pence per Placing Share (the "**Placing Price**").

The Directors intend that the net proceeds of the Placing will be invested by the Company in accordance with the Company's investment objective and approach. As part of the Placing, Malcolm Burne, Kaare Foy and John Bowles have agreed to subscribe for 25,000 Placing Shares, 5,000 Placing Shares and 900 Placing Shares (respectively).

The Company also confirms that it will be issuing, for nil consideration, up to 28,500,000 Subscription Shares of no par value to Qualifying Shareholders, by way of the Bonus Issue, on the basis of one Subscription Share for every two existing Ordinary Shares held on the Record Date.

GPPM will today publish a listing document, prepared in accordance with the Listing Rules of the Channel Islands Stock Exchange, LBG ("**CISX**") (the "**Listing Document**"), containing the full terms and conditions of the Bonus Issue of the Subscription Shares and the Placing. A copy of the Listing Document will be submitted to the CISX and will shortly be available for inspection at: [http://www.ncim.co.uk/gppm\\_top.php](http://www.ncim.co.uk/gppm_top.php).

The Placing is subject to the satisfaction of conditions contained in the placing agreement entered into between, *inter alia*, the Company and Singer Capital Markets, including admission of the Placing Shares to listing on the Official List of the CISX and to trading on the SETSxq platform of the London Stock Exchange occurring at 8.00 a.m. on 26 October 2011 (or such later time and date as may be agreed by Singer Capital Markets and the Company, being not later than 8.00 a.m. on 9 November 2011). The outcome of the Placing will be announced via the CISX and Regulatory Information Service provider on the London Stock Exchange on Admission of the Placing Shares, which is expected to take place at 8.00 a.m. on 26 October 2011.

Application has been made for the Placing Shares to be admitted to listing on the Official List of the CISX and to trading on the SETSxq trading platform of the London Stock Exchange. Admission of the Placing Shares is expected to take place and unconditional dealings in the Placing Shares are expected to commence on the CISX at 8.00 a.m. on 26 October 2011. Application will also be made for the Subscription Shares to be admitted to listing on the Official List of the CISX and to trading on the SETSxq platform of the London Stock Exchange. Admission of the Subscription Shares is expected to take place at 8.00 a.m. on 31 October 2011.

Following the admission of the Placing Shares and the Subscription Shares, the Company will have a total of 57,000,000 Ordinary Shares and 28,500,000 Subscription Shares in issue.

**Enquiries:**

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**Further information**

**Expected timetable of Principal Events**

Publication of the CISX Listing Document	24 October 2011
Admission and dealings in the Placing Shares commence on CISX and SETSqx	26 October 2011
CREST accounts expected to be credited with Placing Shares (if applicable)	26 October 2011
Record date for the Subscription Shares	5.00 pm on 28 October 2011
Ex-entitlement date for the Subscription Shares	31 October 2011
Admission and dealings in the Subscription Shares commence on CISX and SETSqx	31 October 2011
CREST accounts expected to be credited with Subscription Shares (if applicable)	31 October 2011
Despatch of definitive share certificates (if applicable) in respect of the Placing Shares	by 9 November 2011
Despatch of definitive share certificates (if applicable) in respect of the Subscription Shares	by 14 November 2011

**Placing Statistics**

Placing Price (per Placing Share)	112p
Number of Ordinary Shares in issue immediately following the Placing	57,000,000
Maximum market capitalisation of the Company at the Placing Price following the Placing	£63.8 million
Estimated Net Proceeds of the Placing receivable by the Company	£18.2 million

Number of Subscription Shares in issue immediately following the Placing	28,500,000
ISIN for Ordinary Shares	GG00B1G9T992
ISIN for Subscription Shares	GG00B63JZY45
SEDOL for Ordinary Shares	B1G9T99
SEDOL for Subscription Shares	B63JZY45
Ticker for Ordinary Shares	GPM.L
Ticker for Subscription Shares	GPMS.L
Maximum number of Ordinary Shares consequent upon the Placing and upon full conversion of the maximum number of Subscription Shares	85,500,000

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