

18 October 2011

GOLDEN PROSPECT PRECIOUS METALS LIMITED

**Further re Bonus Issue of Subscription Shares
Subscription price amended to 130 pence per Ordinary Share**

Further to the announcement of 14 September 2011, Golden Prospect Precious Metals Limited ("**GPPM**" or the "**Company**"), the investment company which invests in gold and precious metals companies, announces a revision to the subscription price of the one for two bonus issue of subscription shares ("Subscription Shares") to all shareholders of the Company ("Bonus Issue").

As the latest estimate NAV per Ordinary Share of 111.15p as at 14 October 2011, as announced on 17 October 2011, is in the Board's opinion materially different from the NAV of 129.9p per Ordinary Share as at 9 September 2011 (which formed the basis for GPPM determining the previously announced subscription price of 150p per Ordinary Share), the Board has determined to revise the subscription price to 130p per Ordinary Share. All other details in respect of the Bonus Issue remain unchanged to those announced on 14 September 2011.

As previously announced, a Listing Document prepared in accordance with the Listing Rules of the Channel Islands Stock Exchange, LBG ("CISX") setting out full details of the Bonus Issue (and the Proposed Placing, as announced on 14 September 2011) is expected to be published around the end of October 2011, at approximately the same time as the application will be made for the Subscription Shares and the new Ordinary Shares under the Proposed Placing to be admitted to the Official List of the CISX and to be admitted to trading on the SETSqx trading platform of the London Stock Exchange (together "Admission").

Further announcements will be made in respect of the Bonus Issue and Proposed Placing in due course.

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