



CREATING VALUE
IN THE RESOURCES
SECTOR

Contents

ifc Corporate statement
02 Chairman's statement
04 Group structure
05 Our resources universe
06 Trends
08 Investments
10 Investment banking
12 Directors' report
14 Directors' responsibilities in relation
to the preparation of the financial statements
15 Report of the independent auditor
16 Consolidated profit and loss account
17 Consolidated balance sheet
18 Balance sheet
19 Consolidated cash flow statement
19 Notes to the consolidated cash flow statement
20 Notes to the accounts
28 Directors and senior personnel
29 Shareholder information

CORPORATE STATEMENT

GOLDEN PROSPECT
AND AMBRIAN
PROVIDE CAPITAL,
CORPORATE FINANCE
AND STOCKBROKING
SERVICES TO THE
GLOBAL RESOURCES
SECTOR ACROSS
THE RANGE OF
COMMODITIES.



GOLDEN PROSPECT
MAKES STRATEGIC PRINCIPAL
INVESTMENTS IN JUNIOR
NATURAL RESOURCE COMPANIES
WITH SIGNIFICANT GROWTH
POTENTIAL. GP ALSO ACTIVELY
MANAGES A PORTFOLIO OF
LISTED RESOURCES COMPANIES.



AMBRIAN PARTNERS
THE INVESTMENT BANK IS A
MEMBER FIRM OF THE LONDON
STOCK EXCHANGE AND IS
REGULATED BY THE UK
FINANCIAL SERVICES AUTHORITY.
AMBRIAN PROVIDES CORPORATE
FINANCE AND STOCKBROKING
SERVICES TO THE NATURAL
RESOURCE SECTOR.

CHAIRMAN'S STATEMENT

HIGHLIGHTS

Pre-tax profits up 113%

Gross profits up 181%

Gross profit split:

£3.0m (22%) Investment Banking

£3.5m (26%) Managed Portfolio

£7.1m (52%) Strategic Portfolio

Shareholder's equity plus unrealised gains up 20%

Final dividend of 0.75 pence proposed making a total of 1.25 pence for the full year (2004: Nil)

GP's share price performance 2001-2005 (pence) — GP FTSE Mining — FTSE specialty and other finance



Dear Shareholders,

The board is pleased to report that the Group's profit before tax for the 12 months ended 31 December 2005 more than doubled to a record £9,575,559 (2004: £4,490,664). Basic earnings per share were up 73% to 6.21p from 3.59p.

The Group's gross profits increased 181% to £13,643,750 from £4,860,240. Investment Banking activities, through Ambrian Partners, and the actively Managed Portfolio accounted for approximately 22% and 26% of gross profits, respectively. Profits from the Strategic Portfolio accounted for approximately 52% of the Group's gross profits.

The Group's shareholders' equity increased by 24% during 2005 to £31.4 million (2004: £25.4 million), of which £26.9 million was represented by listed investments and cash. The market value of listed investments at 31 December 2005 was approximately £39.7 million (2004: £35.0 million) including unrealised gains of £17.1 million. The Group's net cash position at 31 December 2005 stood at £4.3 million (2004: £2.4 million).

Dividend

The board has pleasure in declaring payment of a final dividend of 0.75p per share, making a total of 1.25p for the full year (2004: nil). The dividend will be payable on 28 April 2006 to all shareholders on the register as at 17 March 2006.

Operational Review

Golden Prospect (GP) continues to enjoy favourable market conditions in the natural resource sector and all activities within the Group witnessed strong growth. GP's outstanding success reflects the swift integration of **Ambrian Partners**, which has transformed the Group into a leading investment bank within the resources industry.

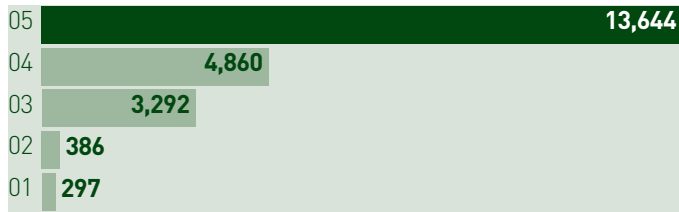
Our Strategic Portfolio benefits from our ability to identify, analyse and respond quickly to opportunities to fund equity investments. We focus our investment strategy on companies that have well defined projects that are in, or near to, production. Sometimes we appoint directors to the boards of companies in which we invest. This ability to make such principal investments vastly improves Ambrian Partners' competitive position. Our intention is that many of the companies in which GP invests will also be companies with which Ambrian Partners will have an investment banking relationship.

Turning to our Managed Portfolio, assets are geographically allocated and based on a bottom-up approach focused on specific stock selection. Investment opportunities are sourced from an extensive network of contacts throughout the world built up over many years. The Managed Portfolio also benefits from our strategic partnership with **Minesite.com**, which has over 250 junior/mid-tier exploration and mining companies subscribing to Minesite's research and market news services. Cross fertilisation of ideas has provided us with a number of profitable research driven strategies.

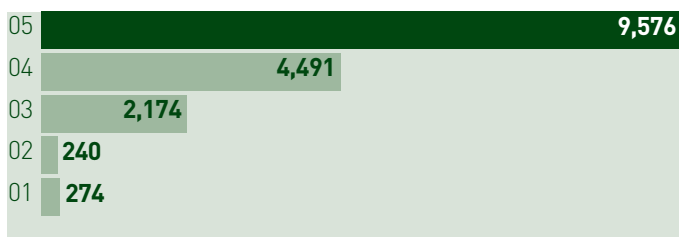
Our Group's in-depth knowledge of the resources sector has led to many new corporate clients seeking to retain Ambrian Partners' services as Financial Adviser, Nominated Adviser (NOMAD) and/or Corporate Broker. Ambrian Partners is currently retained by 29 corporate clients. Last year Ambrian Partners was involved in 16 equity offerings (including six AIM initial public offerings) that raised over £100 million. Obtaining approval to act as a NOMAD for AIM by the London Stock Exchange was an important milestone for Ambrian Partners following its earlier FSA Category "A" authorisation. The brokerage division is also building a strong reputation for quality research. During the last year research coverage was broadened to include the renewable energy sector, soft commodities and environmental technologies. The pipeline of transactions for 2006 is strong and includes initial public offering mandates for companies active in these new and exciting areas.

FINANCIAL SUMMARY

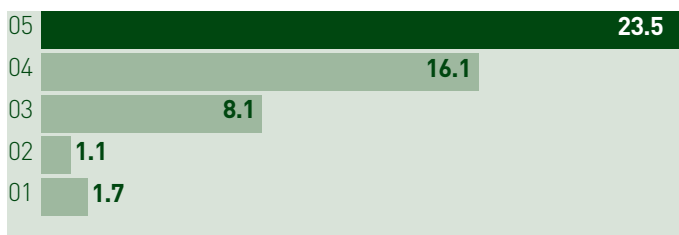
Gross profits (£'000)



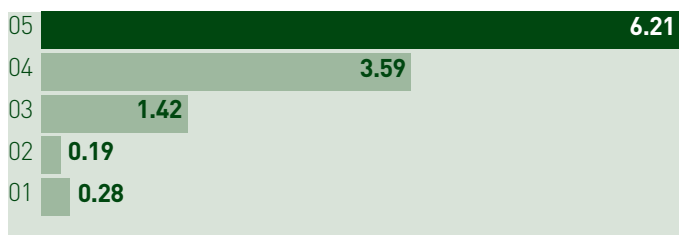
Pre-tax profits (£'000)



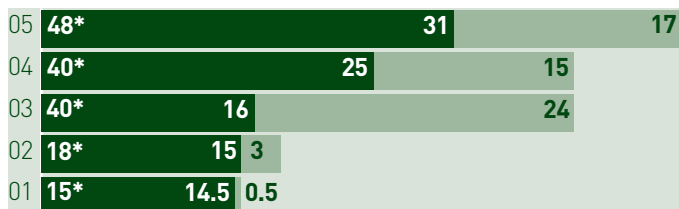
Return on average equity (%)



Basic earnings per share (pence)



Shareholders' equity plus unrealised gains (£'m)



■ Shareholders' equity ■ Unrealised gains *Total

As a logical extension of the investment banking activities, **Ambrian Commodities Limited** has applied to become a Category 4 Associate Broker Member of the London Metal Exchange (LME). The LME is the world's premier non-ferrous metals market with highly liquid contracts, a world-wide reputation and turnover in excess of US\$3,000 billion per annum. With a new team of highly experienced professionals it is intended to expand the client base to include specialist and non-specialist investment funds that have become increasingly active in the commodities market. With such professional experience being forged it became obvious that a fund management division would augment the Group's potential and to this end **Ambrian Asset Management Limited (AAM)** was formed and very recently obtained approval from the Financial Services Authority to manage and advise on investments. We intend to launch an open-ended investment fund based in Guernsey which will focus on the wider resources sector to include renewable energy and soft commodities. AAM will also take full advantage of the exceptional track record that Golden Prospect's portfolio managers have displayed over recent years.

In our September Interim Statement we covered comprehensively the reasons behind the robust nature of the natural resource market and attempted to explain the commodities boom. We continue to believe that the combination of high demand growth, under-investment in exploration and lack of major discoveries will continue to drive metals and minerals prices for some considerable time to come. Most leading industry sources remain extremely optimistic about the sustained growth and opportunities in the overall natural resource sector. The US commodity price index adjusted for CPI still suggests that commodity price levels are near to historic lows in real terms. The M&A rationalisation stage of the cycle has only just begun and the discovery phase of new deposits has yet to fuel market speculation. Healthy price corrections will occur from time to time but are perfectly normal in strong and sustainable bull markets.

In summary, the Golden Prospect Ambrian Group stands at the centre of financing the natural resource universe and is increasingly being recognised for its abilities in this area best reflected by the growing list of high quality institutional shareholders joining the Group's share register. Moreover, we were extremely encouraged by the appointment of Collins Stewart as our own Nominated Adviser and joint Corporate Broker with Ambrian Partners during the year. This overall support is also in recognition that the Group has rapidly shifted from an emphasis on net asset value to an earnings valuation so that investment decisions can now be based on a price earnings multiple and other relevant fundamental factors.

Moving forward, I am personally very excited by the sheer abundance of executive talent within the Group, led by our visionary CEO, Tom Gaffney, who has built a professional team second to none. To capitalise further on this human resource capability the board agreed to establish a new equity incentive plan for the reward and benefit of the Group's employees whereby options will be granted to employees to purchase Golden Prospect shares from an Employee Benefit Trust. The purpose of these share options is to closely align the interest of our employees with those of our shareholders.

Finally, I would like to take this opportunity of thanking all our friends with whom we network, our shareholders who share their vision with us, our employees for their commitment and my fellow directors without whose vast experience the Group's accelerated growth would not have been possible.

Malcolm A Burne

Executive Chairman

As reported on 7 March 2006

GROUP STRUCTURE

GOLDEN PROSPECT PLC

STRATEGIC PORTFOLIO

Nine listed strategic investments with a market value of £19.8 million as at 31 December 2005. The Group also holds fixed asset investments with a book value of £3.2 million comprising Minesite.com, exploration properties in Africa and a royalty

MANAGED PORTFOLIO

Actively managed portfolio of listed investments with a market value of £19.9 million and unlisted investments with a book value of £0.9 million

AMBRIAN PARTNERS LIMITED

LSE MEMBER
FSA AUTHORISED

Equity new issues
Equity sales and trading
Research
Nominated adviser and broker
Corporate finance
Project finance

AMBRIAN COMMODITIES LTD

LME MEMBERSHIP PENDING
FSA AUTHORISATION PENDING

Metals broking

AMBRIAN ASSET

MANAGEMENT LTD
FSA AUTHORISED

Investment management

OUR FOCUS IS ON GROWTH. WE CREATE VALUE FOR OUR CLIENTS, SHAREHOLDERS AND EMPLOYEES BY

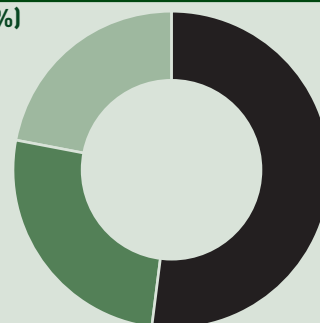
EARNING INVESTMENT BANKING FEES AND COMMISSIONS FROM OUR CORPORATE AND INSTITUTIONAL CLIENTS

PROFITING FROM THE MANAGED PORTFOLIO

REALISING GAINS FROM THE STRATEGIC PORTFOLIO

GP 2005 gross profit split £m (%)

Investment		
Banking	3.0	(22%)
Managed Portfolio	3.5	(26%)
Strategic Portfolio	7.1	(52%)
Total	13.6	(100%)



OUR RESOURCES UNIVERSE



EXTRACTING

The core of our business is focused on investing in and providing investment banking services to companies active in the extraction of metals, minerals and oil & gas throughout the world.

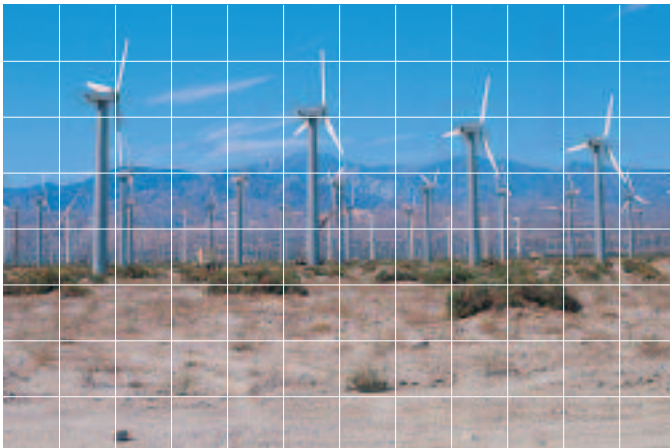
- Non-Ferrous Metals
- Ferrous Metals
- Precious Metals
- Gemstones
- Industrial Minerals
- Oil
- Gas



HARVESTING

Soft commodities share the same demand drivers as hard commodities including the industrialisation of China and India, and increasing use of sugar and palm oil as a source of bio-fuel. Through our equity research we are positioning ourselves as an active participant in this segment of the commodities market.

- Cocoa
- Coffee
- Forestry
- Grains
- Livestock
- Palm Oil
- Rubber
- Soya
- Sugar

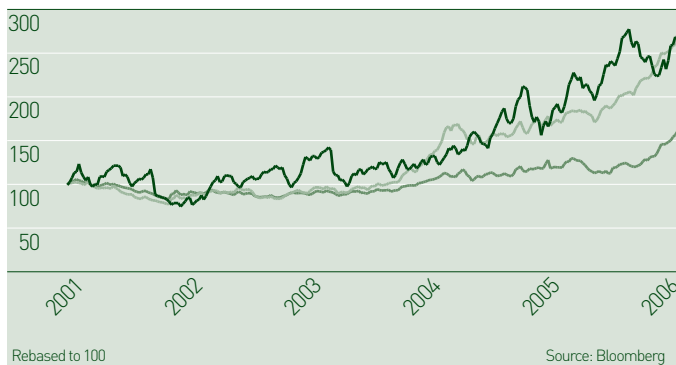
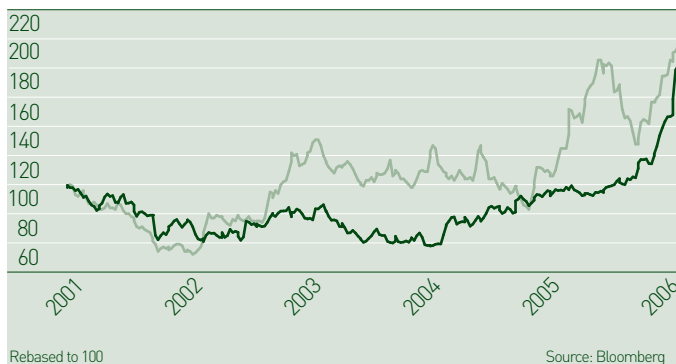


HARNESSING

Alternative and renewable energies based on new technologies which use the earth's non-fossil fuel energy resources represent a substantial growth opportunity for us as we bring together companies seeking finance to develop their projects with the institutional providers of capital.

- Bio-Mass
- Carbon Credits
- Energy Efficiency
- Fuel Cells
- Hydro Power
- Solar Power
- Wave Power
- Wind Power

TRENDS

POWERFUL TRENDS
DRIVE OUR BUSINESSHard commodity prices
2001–2005Soft commodity prices
2001–2005Gold price 2001–2005
(\$US)**Global growth**

GP's performance is closely linked to the trends affecting the natural resource sector, which is itself driven by the performance of the global economy. The global economy remains in good health with continued exceptional growth in China, India and other developing countries. The Chinese economy expanded by 9.3% in 2005, and predictions are that it will overtake the UK to become the world's fourth largest economy in 2006.

Real GDP growth

	2004	2005	(forecast) 2006	(forecast) 2007
China	9.5	9.3	9.4	9.5
India	7.2	7.6	6.8	6.8
US	4.2	3.6	3.5	3.3
Eurozone	1.8	1.4	2.1	2.2
Total OECD	3.3	2.7	2.9	2.9

Source: OECD, IMF (India)

The industrialisation of China (population: 1.3 billion) requires an intensive use of raw materials which has been driving prices upwards. China is the world's largest consumer of copper, aluminium and iron ore and the second largest consumer of oil after the US.

Soft commodity prices have also risen driven by increased demand for these raw materials as a result of rising standards of living in developing countries. In addition, sugar and vegetable oil prices have benefited from their increasing use as an input to the production of biofuel.

Supply constraints

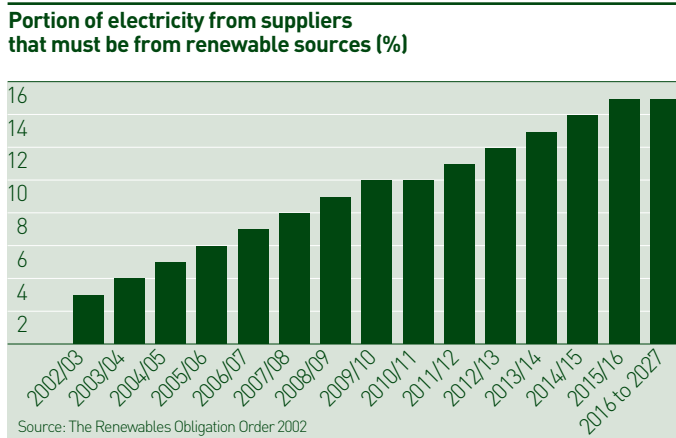
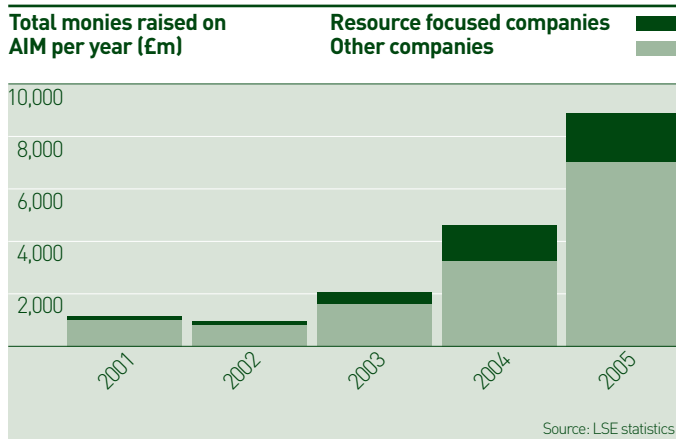
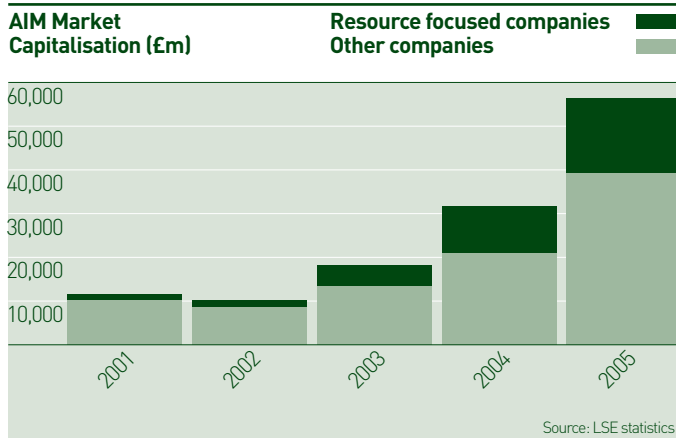
During the past 20 years with supplies of commodities high and prices low there was underinvestment in the resources sector. Few new major oil fields or gas deposits were discovered. Exploration in the mining sector declined significantly and few new plantations of soft commodities were planted.

Gold

The price of gold rose by 15% in 2005 to end the year at \$513/oz. At the end of February 2006, gold was up a further 8% at \$556/oz. According to GFMS world gold production has remained at around 2,500 tonnes per annum since 2002 while demand has increased from 3,355 tonnes in 2002 to approximately 4,000 tonnes in 2005.

Rising demand for gold has been driven by a range of factors:

- Gold is a store of value in uncertain times,
- Inflationary fears,
- Geo-political tension,
- Petro dollar effect,
- Investor demand driving Exchange Traded Funds to purchase increasing amounts of gold,
- Speculators taking advantage of gold price volatility,
- Increased demand for gold jewellery in China and India,
- The diversification of institutional investors' portfolios into commodities including gold, and
- The beginning of the diversification of foreign exchange reserves out of US Treasuries by countries such as China and Russia, with a move to gold as part of this process.



On the supply side, in common with other commodities, limited investment over the last decade was channelled towards locating and developing new gold resources. It will be sometime before supply catches up with demand as projects take years to move from exploration to production. Selling from central banks is unlikely to boost supply as many western banks have sold down their gold reserves and are unlikely to sell more. In fact, a number of central banks have started to buy gold.

Growth of AIM

Rising demand for commodities and increases in commodity prices has led to the emergence of a large number of junior resources companies seeking to locate and develop new sources of raw materials. This has required substantial amounts of capital which investors in the Alternative Investment Market (AIM) of the London Stock Exchange have helped to provide.

AIM's market capitalisation grew by 78% in 2005 to reach £56.6 billion. Of this amount, £17.5 billion, or 31%, was represented by 239 resources focused companies. During 2005, 105 resources companies listed on AIM. A total of £1.9 billion was raised by resources companies through AIM in 2005.

Renewable energy

With increasing recognition that global warming is a reality and that the production of greenhouse gases is a major contributor to this, governments worldwide are taking measures to reduce the use of fossil fuels. International and local initiatives have set targets for the reduction in greenhouse gas emissions which will require a huge investment in renewable energy and energy efficiency technologies. For example, the Renewables Obligation introduced in the UK in 2002 requires all commercial electricity suppliers to generate a set portion of their electricity from renewable sources; a proportion that will increase each year until 2027. Add to this the effect of higher oil prices and the momentum behind the search for alternative energies gets stronger.

At the end of 2005 there were 17 alternative energy companies listed on AIM with a combined market capitalisation of approximately £1 billion. These companies' activities include biofuels, fuel cells, solar power, wave power and wind power.

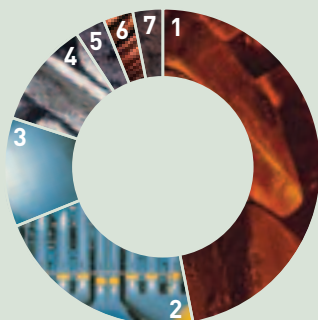
239
239 of the 1,399 companies listed on AIM at the end of 2005 were resources focused companies

31%
Resources companies represented 31% of AIM's market capitalisation at the end of 2005

INVESTMENTS

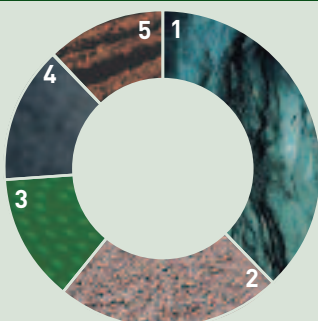
Strategic portfolio - Listed investments split by type of commodity (%)

1 Gold	47%
2 Oil & Gas	22%
3 Nickel	11%
4 Platinum Group Metals	11%
5 Iron Ore	3%
6 Copper	3%
7 Zinc	3%



Strategic portfolio - Listed investments split by primary location of assets (%)

1 Africa	38%
2 Australia	23%
3 FSU	13%
4 Americas	14%
5 Europe	12%



Strategic Portfolio as at 31 December 2005

Company	Location of primary assets	Primary commodities	Holding (%)	Market value of investment (£m)
Jubilee Platinum	South Africa, Madagascar	Nickel, PGMs	13.8	4.3
Samson Oil & Gas	Australia	Oil & Gas	18.8	2.9
Central Asia Gold	Kyrgyzstan	Gold	9.5	2.5
Centamin Egypt	Egypt	Gold	1.6	2.2
Uruguay Minerals	Uruguay	Gold	1.7	1.9
Anglesey Mining	Canada, Wales	Iron Ore, Copper, Zinc	12.3	1.7
Nautical Petroleum	North Sea	Oil & Gas	1.3	1.5
Wedgetail Exploration	Australia	Gold	9.3	1.6
Mano River Resources	West Africa	Gold, Diamonds	4.7	1.2
Publicly listed				19.8
Fixed asset Investments at Book Value	Minesite.com, Exploration Properties & Royalty			3.2
Total				23.0

THE COMBINED VALUE OF ALL INVESTMENTS IN THE STRATEGIC AND MANAGED PORTFOLIOS WAS £43.8 MILLION AT THE END OF 2005, INCLUDING LISTED INVESTMENTS WITH A MARKET VALUE OF £39.7 MILLION

Strategic Portfolio

GP's £23 million Strategic Portfolio consisted at the year end 2005 of publicly listed equity securities with a market value of £19.8 million (including £10.9 million in unrealised gains) and £3.2 million of fixed asset investments at book value. During 2005, the Strategic Portfolio generated gross profits of approximately £7.1 million.

At year end 2005 GP's Strategic Portfolio comprised shareholdings in nine publicly listed natural resource companies with assets throughout the world. These companies are active in gold, zinc, platinum, nickel and oil & gas.

During the year holdings in Anglesey Mining and Nautical Petroleum were added to the Strategic Portfolio. Favourable market conditions enabled us to profitably exit from our holdings in Perilya and Reliance Mining.

In 2006 GP will continue to support companies in our Strategic Portfolio which have the potential to create additional significant value. We will selectively realise investments as market conditions permit.

Unlisted Investments Minesite.com

GP holds a 25% interest in Interactive Resources Information Limited, which owns Minesite, Europe's leading website for the mining and exploration community.

Over 250 junior/mid-tier exploration and mining companies subscribe to Minesite, as it provides them with a unique and cost effective means of introducing themselves to and maintaining contact with potential investors. In addition, Minesite's editorial arm, Minews provides informed comment on mining companies, metals and minerals, brokers' reports and market news. Minesite also organises mining forums which have been held regularly in London, Paris, Geneva and Zurich.

Interactive Resources Information Limited also has approximately a 25% interest in Oilbarrel.com and will shortly be launching two new websites covering agricultural products and alternative power.

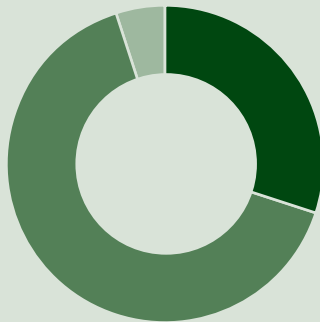
**Strategic portfolio
as at 31 December 2005**

	£m
■ Unrealised gains	10.9
■ Invested capital	8.9
■ Unlisted investments	3.2
Total	23.0



**Managed portfolio
as at 31 December 2005**

	£m
■ Unrealised gains	6.2
■ Invested capital	13.7
■ Unlisted investments	0.9
Total	20.8



£17.1m
GP's Strategic and Managed Portfolios had unrealised gains of £17.1 million at the end of 2005

Exploration Properties and Royalty

Golden Prospect holds interests in exploration and mining licences in Sierra Leone and Ethiopia. Progress has been made towards placing these assets into a listed company.

The Lake Sonfon diamond-gold project in Sierra Leone is a 50:50 joint venture with Mano River Resources Inc. (AIM:MANA), in which Mano River Resources Inc. manages the diamond exploration. Golden Star Resources Ltd is earning a 50% interest in the gold section of the joint venture and manages the gold exploration.

GP holds an 80% interest in the York platinum exploration joint venture on the Freetown Peninsula of Sierra Leone, with Jubilee Platinum plc (AIM:JLP), the manager, holding the remaining 20%.

GP holds five gold and platinum exploration licences, with a total area of 1,034 sq km in the Oromia Region of western Ethiopia. In addition, GP holds a 51% interest, with management, in a small scale platinum and gold mining operation in the same region in Ethiopia. Resource assessment and metallurgical test work is underway, with the view to upgrading and expanding the simple processing plant.

During the year GP acquired a 1% Net Smelter Return Royalty over the Nixon Fork Gold Mine and Project Area in Alaska for US\$225,000. Nixon Fork is expected to commence production in 2006 and currently has total reserves and resources of 115,000 ounces of gold.

Managed Portfolio

GP's Managed Portfolio at year end 2005 was valued at £20.8 million. This included equity securities of 92 publicly listed junior resource companies with a market value of £19.9 million, including £6.2 million in unrealised gains, and £0.9 million of investments in unlisted securities at book value.

The Managed Portfolio is actively managed. Assets are geographically allocated and based on a bottom-up approach focused on specific stock selection. Investment opportunities are sourced from an extensive network of contacts throughout the world built up over many years as well as from Ambrian.

GP earns a return on the Managed Portfolio by realising gains on the sale of investment positions.

Management's investment strategy is focused on companies that are near production, in production or maturely developed, a policy designed to cushion values in periods of severe market conditions while providing liquidity. We have historically been particularly active in the shares of companies listed on the London, Australian and Canadian stock exchanges.



← **In the current gold favourable environment almost half of our investments are in shares of gold companies.**

INVESTMENT BANKING

£100m

We were involved with capital raisings of over £100 million in 2005

29

We have 29 retained corporate clients

↓ **Ambrian moved to larger premises at Angel Court, in the heart of the City of London, during 2005.**



Ambrian Partners Limited

Our investment banking business has been built on a commitment to deliver high quality corporate finance, stockbroking and equity research services to a selected client base active in the wider resources sector. That strategy resulted in significant growth for Ambrian in 2005. Gross profit from this business increased to £3.0 million from the £0.4 million contribution made by Ambrian in 2004.

This improvement was attributable to the expansion of the corporate finance, equity sales and research teams since the acquisition of Ambrian in September 2004. We have maintained a focused approach in the resources sector where we have extensive knowledge and expertise. Our team includes exploration geologists, mining and chemical engineers. At the same time we have broadened our range of resources activities beyond mining and oil & gas to include soft commodities and renewable energy technologies.

During 2005 we extended the products and services we are able to offer to our clients. Ambrian Partners obtained Category "A" authorisation from the Financial Services Authority (previously Category "C"). This has enabled us to take principal positions to facilitate market transactions for our institutional clients. We were also approved as a "NOMAD" for AIM by the London Stock Exchange. This was a milestone event for Ambrian as, in addition to its brokerage services for AIM flotations, it allows Ambrian to advise clients on the flotation process and compliance with the regulatory environment thereafter. In addition, a senior Project Finance specialist was added to the team to provide our clients with project financing advisory services.

Our in-depth knowledge of the resources sector has led to many new corporate clients seeking to retain our services as financial adviser, NOMAD and/or corporate broker. We are currently retained by 29 corporate clients. This compares with two at the end of 2004. Our retained clients provide us with a stable source of recurring income.

Our focused approach with clients, based on trust, industry expertise and a thorough understanding of their objectives, has enabled us to work closely with management teams to create wealth for their shareholders.

In 2005 we significantly expanded our equity distribution capabilities. We were involved in 16 equity offerings (including six AIM initial public offerings) that raised over £100 million. This compares with three equity offerings in 2004 that raised a total of £10.5 million. Significant transactions in 2005 included:

- Rockhopper Exploration's £15 million Initial Public Offering, where Ambrian acted as Joint-Broker. Rockhopper explores for oil & gas in the Falklands.
- Victoria Oil & Gas' £12.5 million secondary offering, where Ambrian acted as Joint-Placing Agent. Victoria Oil & Gas is focused on gas exploration in Kazakhstan.
- Serabi Mining's £8 million Initial Public Offering, where Ambrian acted as Joint-Broker. Serabi is a gold company focused on operations in Brazil.

Our "pipeline" of transactions at the beginning of 2006 is strong and includes Initial Public Offering mandates for companies active in diamonds, fuel cells, gold, industrial minerals, iron ore and oil & gas.

APPROVED AS A NOMINATED ADVISOR FOR AIM



Ambrian's brokerage division has built its reputation on quality research. We have a strong analytical team with a range and depth of experience across the natural resource sector. All our analysts have industry experience, having worked for a diverse range of companies from Ashanti Gold to BP. This gives us a thorough and intimate understanding of the sectors we cover. Not only does this enable us to identify high quality opportunities, but also ensures we avoid the pitfalls.

During the year we broadened our research coverage to include the renewable energy sector. This dynamic industry includes the likes of biofuels and agribusiness, alternative power and fuel cells. We believe that this growth sector provides Ambrian with a powerful diversification of our business across the broad spectrum of the resources universe.

Driven by our research, Ambrian has a strong institutional investor following. This is enhanced by the expertise on our research sales team which boasts a combined experience of 56 years in the brokerage industry, predominantly in research. This strength has enabled Ambrian to increase the number of institutional investors and the size of the placements.

Through our dealing team, Ambrian provides an excellent execution capability in the secondary markets.

Ambrian Commodities Limited

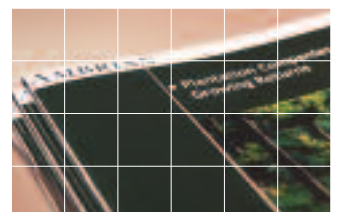
Ambrian Commodities has applied to become a Category 4 Associate Broker Member of the London Metal Exchange (LME) and is seeking authorisation from the Financial Services Authority (FSA). Ambrian Commodities has put in place best practice management and control procedures as required by the LME and FSA. A team of six highly experienced professionals has been recruited to provide broker/dealer services primarily to 60 industrial clients (metal producers, consumers and fabricators) who use LME contracts to hedge metal price risk. It is intended to expand the client base to include specialist and non-specialist investment funds that have become increasingly active in the commodities market. We are actively considering becoming a broker/dealer in other commodities traded on regulated exchanges.

The commodities business is expected to be earnings enhancing in its first year of operation and represents an important growth area for the Group. It will provide expertise and market knowledge which will complement our strong position in the equities of companies active in the commodities markets.

Ambrian Asset Management Limited

In February 2006 Ambrian Asset Management obtained approval from the Financial Services Authority to manage and advise on investments. We intend during 2006 to launch an open-ended investment fund based in Guernsey which will focus on the wider resource sector to include renewable energy and soft commodities.

← In March 2006 Ambrian acted as Joint-Broker to the £37.2 million IPO of Ceramic Fuel Cells Limited (AIM:CFU).
→ Ambrian is seeking membership of The London Metal Exchange.
→ Ambrian's soft commodities research coverage includes the London listed plantation companies.



DIRECTORS' REPORT 2005

The Directors present their report and the audited financial statements of the group for the year ended 31 December 2005.

Principal activities, review of the business and future prospects

During the period under review the group was engaged in equity investment, corporate finance advisory and stockbroking services and mineral exploration.

A full review of the activity of the business and of future prospects is contained in the Chairman's statement and the operating reports which accompany these financial statements.

Review of developments

The results of the group for the year are disclosed in the consolidated profit and loss account on page 16.

The financial position of the group and the company is disclosed in the balance sheets on pages 17 and 18.

The directors recommend the payment of a final dividend of .75p per share

Policy for Payment of creditors

It is the company's policy to settle all agreed transactions within the terms established with suppliers. The company had no trade creditors at the year end.

Corporate governance

The Board meets when necessary in order to determine the strategy and policy of the group and the allocation of its financial resources and has a schedule of matters specifically reserved to it for decision.

The company has two non-executive directors being Mr W L Banks and Mr R A Lockwood who serve on the Audit and Remuneration Committees.

Financial risk management objectives

The group's financial risk management is disclosed in Note 21.

Internal control

The Board is responsible for maintaining a sound system of internal controls to safeguard shareholders' investment and group assets.

The directors monitor the operation of internal controls. The objective of the system is to safeguard group assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is reliable. Any such system of internal control can only provide reasonable, but not absolute assurance against material mis-statement or loss.

Internal financial control procedures undertaken by the Board include:

- Review of monthly financial reports and monitoring performance;
- Prior approval of all significant expenditure including all major investment decisions;
- Review and debate of treasury policy.

The Board has reviewed the operation and effectiveness of the group's system of internal control for the financial period and the period up to the date of approval of the financial statements.

Going concern

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue its operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Directors and their interests

The present membership of the Board, all of whom served during the year, is set out below. Their interests in the ordinary shares of the company were:

Beneficial holdings	Ordinary shares		Share options	
	At 31 December 2005	At 1 January 2005	At 31 December 2005	At 1 January 2005
W L Banks	419,915	419,915	225,000	225,000
M A Burne	520,000	520,000	1,300,000	1,300,000
T B Gaffney	4,420,083	4,420,083	5,500,000	2,839,950
R A Lockwood	1,200,000	1,200,000	1,500,000	1,500,000
N A Steinberg	-	-	800,000	800,000

Non-beneficial holdings

	Ordinary shares	
	At 31 December 2005	At 1 January 2005
M A Burne	2,231,000	2,231,000

Further details in respect of the share options are disclosed in note 16 to the accounts.

Substantial shareholders

The directors understand that the following are institutional shareholders as at 1 March 2006.

	Number	Percentage
Artemis Investment Management	18,200,000	16.9
Framlington Investment Management	12,194,500	11.3
City of London Investment Management	8,801,119	8.2
Fidelity Management and Resource company	5,280,128	4.9

Auditors

Grant Thornton UK LLP have expressed their willingness to continue in office as auditors. A resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of directors and signed on behalf of the Board on 7 March 2006.

M A Burne
Executive Chairman

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

REPORT OF THE INDEPENDENT AUDITOR

to the members of Golden Prospect plc

We have audited the group and parent company financial statements (the "financial statements") of Golden Prospect plc for the year ended 31 December 2005 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the annual report, and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the directors' report and statement of responsibilities, the Chairman's statement and the operating reports on pages 4 to 11. We consider the implications for our report if we become aware of any apparent mis-statements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent financial statements.

Opinion

In our opinion:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2005 and of the group's profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP

Registered Auditors

Chartered Accountants
Southampton

7 March 2006

CONSOLIDATED PROFIT AND LOSS ACCOUNT

year ended 31 December 2005

	Note	2005 £	2004 £
Turnover	2	32,517,783	10,117,214
Cost of sales		(18,874,033)	(5,256,974)
Gross profit	2	13,643,750	4,860,240
Other operating income – dividends received		52,999	101,444
Administrative expenses		(4,100,109)	(1,182,774)
Provision for impairment written back		–	759,560
Operating profit – continuing operations	2	9,596,640	4,538,470
Interest receivable		102,399	34,427
Interest payable and similar charges		(123,480)	(82,233)
Profit on ordinary activities before taxation		9,575,559	4,490,664
Tax on profit on ordinary activities	4	(2,910,153)	(1,139,968)
Profit for the financial year		6,665,406	3,350,696
Profit per ordinary share – basic	6	6.21p	3.59p
– diluted		5.98p	3.32p

There were no recognised gains or losses other than the profit for the year.

The accompanying accounting policies and notes form an integral part of these financial statements

CONSOLIDATED BALANCE SHEET

as at 31 December 2005

	Note	2005		2004	
		£	£	£	£
Fixed assets					
Intangible assets	7	4,433,698		4,201,631	
Tangible assets	8	138,799		24,512	
Investments	9	589,682		465,560	
			5,162,179		4,691,703
Current assets					
Debtors: Amounts falling due within one year	10	1,629,836		539,506	
Investments	11	23,542,135		20,059,578	
Cash at bank and in hand		5,757,167		3,639,452	
			30,929,138		24,238,536
Creditors: Amounts falling due within one year	12	(4,702,080)		(3,558,466)	
Net current assets			26,227,058		20,680,070
Total assets less current liabilities			31,389,237		25,371,773
Capital and reserves					
Called up share capital	13	10,726,121		10,726,121	
Share premium account	14	10,803,383		10,803,383	
Merger reserve	14	1,245,256		1,245,256	
Profit and loss account	14	8,726,113		2,597,013	
Employee benefit trust	14	(111,636)		–	
Equity shareholders' funds	15	31,389,237		25,371,773	

These financial statements were approved by the Board of directors on 7 March 2006.

M A Burne
Executive Chairman

N A Steinberg
Financial Director

The accompanying accounting policies and notes form an integral part of these financial statements

BALANCE SHEET

as at 31 December 2005

	Note	2005		2004	
		£	£	£	£
Fixed assets					
Tangible assets	8		14,635		18,461
Investments	9		7,611,939		4,686,088
			7,626,574		4,704,549
Current assets					
Debtors: amounts falling due after more than one year	10a	1,031,784		1,549,163	
Debtors: amounts falling due within one year	10b	77,727		109,787	
Investments	11	21,966,080		20,053,703	
Cash at bank and in hand		4,804,225		2,260,231	
		27,879,816		23,972,884	
Creditors: amounts falling due within one year	12	(4,376,319)		(3,272,846)	
Net current assets			23,503,497		20,700,038
Total assets less current liabilities			31,130,071		25,404,587
Capital and reserves					
Called up share capital	13		10,726,121		10,726,121
Share premium account	14		10,803,383		10,803,383
Merger reserve	14		1,245,256		1,245,256
Profit and loss account	14		8,466,947		2,629,827
Employee benefit trust	14		(111,636)		–
Equity shareholders' funds			31,130,071		25,404,587

These financial statements were approved by the Board of directors on 7 March 2006.

M A Burne
Executive Chairman

N A Steinberg
Financial Director

The accompanying accounting policies and notes form an integral part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT

year ended 31 December 2005

	Note	2005		2004	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	A		5,485,019		(861,284)
Returns on investments and servicing of finance					
Interest receivable		102,399		34,427	
Interest payable		(123,480)		(46,233)	
Net cash (outflow) from returns on investment and servicing of finance			(21,081)		(11,806)
Taxation			(2,148,597)		(901,862)
Capital expenditure and financial investment					
Payments to acquire intangible fixed assets		(330,031)		(66,839)	
Payments to acquire tangible fixed assets		(148,132)		(21,731)	
Payments to acquire fixed asset investments		(124,122)		(115,572)	
Sale of fixed asset investment		-		1,157	
Net cash (outflow) from capital expenditure and financial investment			(602,285)		(202,985)
Acquisitions					
Payments to acquire subsidiary		-		(349,374)	
Bank and cash balances acquired with subsidiary		-		13,486	
Net cash (outflow) from acquisitions			-		(335,888)
Equity Dividend paid			(536,306)		-
Net cash inflow/(outflow) before financing			2,176,750		(2,313,825)
Financing					
Issue of ordinary share capital		-		3,612,500	
Expenses of share issues		-		(109,567)	
Bank loan		-		1,500,000	
Net cash inflow from financing			-		5,002,933
Increase in cash	B		2,176,750		2,689,108

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

year ended 31 December 2005

A Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2005		2004	
	£	£	£	£
Operating profit		9,596,640		4,538,470
Depreciation		33,845		6,153
Amortisation of goodwill		97,964		24,491
Exchange (gains)/losses		59,035		17,058
(Increase)/Decrease in debtors		(1,090,330)		267,030
Increase/(Decrease) in creditors		382,058		132,697
Increase in current asset investments		(3,482,557)		(5,087,623)
Employee benefit trust		(111,636)		-
Provision for impairment written back		-		(759,560)
		5,485,019		(861,284)

B Analysis of net funds	At	Cash flow	Exchange movement	At
	1 January 2005			31 December 2005
	£	£	£	£
Cash at bank and in hand	2,880,290	1,740,829	(3,771)	4,617,348
Bank balances with stockbrokers	759,162	435,921	(55,264)	1,139,819
	3,639,452	2,176,750	(59,035)	5,757,167

NOTES TO THE ACCOUNTS

year ended 31 December 2005

1 Accounting policies

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and include the results of the group's operations as indicated in the directors' report, all of which are continuing.

1.2 Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings (see note 9) drawn up to 31 December 2005. The results of subsidiary undertakings acquired during the period are included from the date of acquisition. Profits or losses on intra group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair value reflecting their condition at that date.

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and amortised on a straight line basis over its useful economic life.

1.3 Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Current asset investments are stated at the lower of cost and net realisable value.

1.4 Income from investments

Investment income comprises dividends declared during the accounting period and interest receivable on listed and unlisted investments. Dividends received are treated as operating income as they derive from investments held for trading.

1.5 Deferred exploration costs

The group uses the full cost method of accounting for mining operations. The costs of expenditure on licences, concessions and exploration incurred by subsidiary undertakings are carried as intangible assets until such time as it is determined that there are commercially exploitable reserves at which time such costs will be transferred to tangible assets to be depreciated over the expected productive life of the asset. The group's intangible assets are subject to periodic review by the directors. Exploration, appraisal and development costs determined as unsuccessful are written off to the profit and loss account.

1.6 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. The financial statements of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken directly to reserves. All other exchange differences are dealt with through the profit and loss account.

1.7 Financial instruments

Financial assets are recognised in the balance sheet at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate.

1.8 Turnover

Turnover represents the amounts received and receivable on the disposal of current asset investments which are held for dealing and fees receivable from investment banking. No turnover was achieved in respect of the group's exploration activities. All turnover relates to continuing activities.

1.9 Deferred tax

Deferred tax is recognised on all timing differences when the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

1.10 Fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value of all the tangible fixed assets by the reducing balance method over their estimated useful economic lives. The rates generally applicable are:

Office equipment 25%.

1.11 Pensions

The company contributes to the private pension schemes of certain directors. The assets of the scheme are held separately from that of the company. Contributions are charged in the accounts as incurred.

2 Turnover and profit

	2005		2004	
	Turnover £	Gross profit £	Turnover £	Gross profit £
The group's turnover and gross profit are derived from the following activities:				
Investment banking	5,449,982	3,002,859	551,798	430,898
Strategic portfolio	9,669,928	7,138,015	3,148,385	2,710,455
Managed portfolio	17,397,873	3,502,876	6,417,031	1,718,887
	32,517,783	13,643,750	10,117,214	4,860,240

	2005 £	2004 £
Operating profit, all of which arises from the group's principal activities, is stated after charging:		
Auditors' remuneration: audit services	18,000	19,500
Non-audit services as Nominated Adviser	7,500	15,000
Subsidiary auditors	7,500	5,000
Depreciation	33,845	6,153
Amortisation of goodwill	97,964	24,491
Operating lease rentals – land and buildings	30,000	–

The directors do not consider it is not applicable to analyse the operating profits between the group's different activities since the overheads are integrated and any analysis would be misleading.

3 Information regarding directors and employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2005 Number	2004 Number
	18	7

	2005 £	2004 £
Employment costs		
Wages and salaries	2,340,325	519,404
Social security costs	287,554	63,034
Other pension costs	52,000	99,483
	2,679,879	681,921

Directors' emoluments

	2005 £	2004 £
Directors' emoluments	811,237	391,628
Pension contributions	52,000	99,483
Gains on exercise of share options	–	50,375
	863,237	541,486

Emoluments disclosed above include the following amounts paid to the highest paid director:

	2005 £	2004 £
Emoluments	350,000	168,172
Pension contributions	10,500	35,700
	360,500	203,872

Nathan Steinberg is a partner in Munsloes, a firm of Chartered Certified Accountants. That firm charged fees of £115,000 (2004: £64,600) excluding VAT to the group in respect of professional services to the group in the period.

NOTES TO THE ACCOUNTS

year ended 31 December 2005

4 Tax on profit on ordinary activities

The tax provision for the period is higher than the standard rate of corporation tax in the UK of 30%. The differences are explained as follows:

	2005 £	2004 £
Profit on ordinary activities before tax	9,575,559	4,490,664
UK corporation tax on profits for the year	2,872,668	1,347,199
Expenses not deductible for tax purposes	37,485	24,617
Provision for impairment written back not subject to tax	-	(231,848)
	2,910,153	1,139,968

5 Dividends

	2005 £	2004 £
Paid 0.5 pence	536,306	-
Proposed 0.75 pence	804,459	-

6 Earnings per ordinary share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculations of diluted earnings per share is based on the basic earnings per share adjusted to allow for the issue of shares on the assumed conversion of all dilutive options.

Reconciliation of the earnings and weighted average number of shares in the calculations are set out below.

	2005			2004		
	Earnings £	Weighted average number of shares	Per share amount	Earnings £	Weighted average number of shares	Per share amount (pence)
Basic earnings per share	6,665,406	107,261,208	6.21p	3,350,696	93,368,570	3.59
Dilutive effect of share options		4,076,700			7,526,215	
Diluted earnings per share	6,665,406	111,337,908	5.98p	3,350,696	100,894,785	3.32p

7 Intangible assets

The group	Goodwill on consolidation £	Exploration expenditure £	Total £
Cost			
At 1 January 2005	1,959,283	4,459,059	6,418,342
Written off	-	(178,541)	(178,541)
Additions	-	330,031	330,031
At 31 December 2005	1,959,283	4,610,549	6,569,832
Amortisation			
At 1 January 2005	24,491	2,192,220	2,216,711
Provision utilised	-	(178,541)	(178,541)
Charge for the year	97,964	-	97,964
At 31 December 2005	122,455	2,013,679	2,136,134
Net book value at 31 December 2005	1,836,828	2,596,870	4,433,698
Net book value at 31 December 2004	1,934,792	2,266,839	4,201,631

Of the deferred exploration costs £2,113,367 relates to the group's interests in Sierra Leone, net of a provision of £1,835,479, £483,503 relates to the group's interests in Ethiopia net of a provision of £178,200.

8 Tangible fixed assets

Group	Office equipment £
Cost	
At 1 January 2005	33,435
Additions	148,132
Balance at 31 December 2005	181,567
Depreciation	
At 1 January 2005	8,923
Charge for the year	33,845
Balance at 31 December 2005	42,768
Net book value	
At 31 December 2005	138,799
At 31 December 2004	24,512

Company	Office equipment £
Cost	
At 1 January 2005	27,384
Additions	1,053
Balance at 31 December 2005	28,437
Depreciation	
At 1 January 2005	8,923
Charge for the year	4,879
Balance at 31 December 2005	13,802
Net book value	
At 31 December 2005	14,635
At 31 December 2004	18,461

9 Investments held as fixed assets

The group	Investments £
Cost	
At 1 January 2005	465,560
Additions	124,122
At 31 December 2005	589,682
Net book value	
At 31 December 2005	589,682
At 31 December 2004	465,560

The company	Shares in subsidiary undertakings £	Other investments £	Total £
Cost			
At 1 January 2005	4,220,528	465,560	4,686,088
Additions	2,931,916	–	2,931,916
Write-off	(6,065)	–	(6,065)
At 31 December 2005	7,146,379	465,560	7,611,939
Net book value			
At 31 December 2005	7,146,379	465,560	7,611,939
At 31 December 2004	4,220,528	465,560	4,686,088

NOTES TO THE ACCOUNTS

year ended 31 December 2005

9 Investments held as fixed assets (continued)

Details of the investments in subsidiary undertakings held by the company are as follows:

Name of company	Country of operation	Country of incorporation or registration	Holding	Proportion of shares and voting rights held	Nature of business
Ambrian Asset Management Limited	UK	England and Wales	ordinary shares	100%	Non Trading
Ambrian Commodities Limited	UK	England and Wales	ordinary shares	100%	Non Trading
Ambrian Partners Limited	UK	England and Wales	ordinary shares	100%	Stockbroking
Golden Prospect Mining Company Limited	Sierra Leone	Bermuda	ordinary shares	100%	Mining and exploration
Golden Prospect Mining Company Limited	UK	England and Wales	ordinary shares	100%	Non Trading
Rainforth Capital Management Limited	UK	England and Wales	ordinary shares	100%	Non Trading
Resource Securities Limited	British Virgin Islands	British Virgin Islands	ordinary shares	100%	Mining concession licence holders

Interest in which a participating interest is held

Name of company	Country of registration	Proportion of shares and voting rights held
Interactive Resource Information Limited	England and Wales	25%

This investment has not been accounted for as an associate as the company does not exercise significant influence over the operating and financial policies of this company.

No further disclosure is possible since the accounts of the company for the eighteen month period ended 31 December 2005 are not yet available.

10 Debtors

a) Amounts falling due after more than one year

	2005		2004	
	group £	company £	group £	company £
Amounts owed by subsidiary undertakings	-	1,031,784	-	1,549,163

b) Amounts falling due within one year

	2005		2004	
	£	£	£	£
Trade debtors	865,199	-	285,896	-
Other debtors	671,777	23,276	187,288	56,527
Prepayments and accrued income	92,860	54,451	66,322	53,260
	1,629,836	77,727	539,506	109,787

11 Investments held as current assets

Group	2005		2004	
	£		£	
Strategic	8,862,180		8,071,609	
Managed	14,679,955		11,987,969	
	23,542,135		20,059,578	
Listed	22,596,756		20,059,578	
Unlisted	945,379		-	
	23,542,135		20,059,578	

The market value of the listed investments, which are listed on the London, Australian, US and Canadian Stock Exchanges, was £39,703,533 at 31 December 2005 (£34,920,056 at 31 December 2004).

11 Investments held as current assets (continued)

Company	2005 £	2004 £
Strategic	8,862,180	8,071,609
Managed	13,103,900	11,982,094
	21,966,080	20,053,703
Listed	21,216,377	20,053,703
Unlisted	749,703	–
	21,966,080	20,053,703

The market value of the listed investments, which are listed on the London, Australian, US and Canadian Stock Exchanges, was £37,947,499 at 31 December 2005 (£34,914,181 at 31 December 2004).

12 Creditors**Amounts falling due within one year**

	2005		2004	
	group £	company £	group £	company £
Bank loan and overdrafts	1,500,000	1,500,000	1,500,000	1,500,000
Corporation tax	1,916,627	1,742,135	1,155,071	1,141,109
Trade creditors	10,557	–	25,388	–
Other creditors	5,213	4,437	4,865	4,087
Taxation and social security creditors	136,010	92,262	164,105	110,516
Accruals and deferred income	1,133,673	646,485	709,037	121,134
Amounts owed to subsidiary undertaking	–	391,000	–	396,000
	4,702,080	4,376,319	3,558,466	3,272,846

13 Called up share capital

	Group and company		Group and company	
	2005 Number of shares	2004 Number of shares	2005 £	2004 £
Authorised				
Ordinary shares of 10p each	250,000,000	250,000,000	25,000,000	25,000,000
Called up, allotted and fully paid				
Ordinary shares of 10p each	107,261,208	107,261,208	10,726,121	10,726,121

14 Statement of movement on reserves

The group	Share premium account £	Merger reserve £	Profit and loss account £	Employee benefit trust £
Balance at 1 January 2005	10,803,383	1,245,256	2,597,013	–
Profit for the financial year	–	–	6,665,406	–
Dividends	–	–	(536,306)	–
Purchase of shares	–	–	–	(111,636)
Balance at 31 December 2005	10,803,383	1,245,256	8,726,113	(111,636)
The company	Share premium account £	Merger reserve £	Profit and loss account £	Employee benefit trust £
Balance at 1 January 2005	10,803,383	1,245,256	2,629,827	–
Profit for the financial year	–	–	6,373,426	–
Dividends	–	–	(536,306)	–
Purchase of shares	–	–	–	(111,636)
Balance at 31 December 2005	10,803,383	1,245,256	8,466,947	(111,636)

As permitted by Section 230 of the Companies Act 1985 the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit for the financial year amounted to £6,373,426 (2004 – profit £3,367,606).

During the year the company loaned £111,636 to an Employee Benefit Trust set up by the subsidiary company Ambrian Partners Limited. The Employee Benefit Trust used the loan to purchase 200,000 shares in the company. These shares had not vested in the employees at the year-end and in accordance with the provisions of UITF 38 the loan to the Employee Benefit Trust is deducted from shareholders' funds as a separate reserve.

NOTES TO THE ACCOUNTS

year ended 31 December 2005

15 Reconciliation of movements in equity shareholders' funds

	The group	
	2005 £	2004 £
Profit for the financial year	6,665,406	3,350,696
Dividends	(536,306)	–
Shares issued	–	1,787,625
Share premium on new share issues	–	2,797,492
Expenses on new share issues	–	(109,567)
Merger reserve	–	1,245,256
Employee benefit trust	(111,636)	–
Net addition to shareholders' funds	6,017,464	9,071,502
At 1 January 2005	25,371,773	16,300,271
At 31 December 2005	31,389,237	25,371,773

16 Share options

The company has a share option scheme under which options to subscribe for the company's shares have been granted to the directors and other persons. The share options currently in existence were granted and are exercisable as follows:

Date granted	Exercise price	Number of shares	Period exercisable
1 July 2001	17p	1,400,000	Between 2 July 2002 and 1 July 2008
20 December 2002	15p	2,700,000	Between 20 December 2003 and 19 December 2009
20 September 2004	30p	4,284,950	Between 20 September 2005 and 19 September 2011
1 December 2004	40p	250,000	Between 1 December 2005 and 30 November 2011
10 March 2005	35p	2,660,050	Between 10 March 2006 and 9 March 2012
1 December 2005	50p	967,500	Between 9 December 2006 and 8 December 2012
		12,262,500	

At the year-end the market value of the company's shares was 56p per share. The highest price during the year was 56p and the lowest price was 31p.

17 Financial commitments

At 31 December 2005 the group had annual commitments under non-cancellable operating leases.

	Land and buildings	
	2005 £	2004 £
Expiry date: Between two and five years	90,000	–

18 Capital commitments

There were no capital commitments as at 31 December 2005 or at 1 January 2005.

19 Contingent liabilities

There were no contingent liabilities as at 31 December 2005 or at 1 January 2005.

20 Transactions with related parties

Details of transactions with directors are given in note 3. Balances with group undertakings are disclosed in notes 10 and 12.

21 Financial instruments

The group uses financial instruments, other than derivatives, comprising borrowings, cash and various items such as debtors, creditors and other items that arise directly from its operations. The main purpose of these financial instruments is to utilise finance in the group's operations.

The main risks arising from the group's financial instruments are interest risk, liquidity risk and currency risk. The directors review and agree policies for managing these risks and these are summarised below.

Short term debtors and creditors have been excluded from all the following disclosures except those relating to currency risk.

Interest rate risk

The group finances its operations through equity financing and bank facilities for day to day operations.

Liquidity risk

The group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs by realising investments as appropriate and to invest cash assets safely and profitably, by regular review of management accounts.

Currency risk

The group does not hedge its investments quoted on overseas stock exchanges or foreign currency bank balances. The group therefore has an exposure to translation and transaction foreign exchange risk and takes profits or losses on these as they arise.

Borrowing facilities

The company has no overdraft facilities other than offset between various currency accounts.

Fair values

The fair values of the group's financial instruments other than current and fixed asset investments are considered equal to the book value. The fair values of listed investments are considered to be their market value as set out in notes 9 and 11.

The interest rate exposure of the financial assets and liabilities of the group as at 31 December 2005 related wholly to floating interest rates with reference to base rates as follows:-

	2005 £	2004 £
Sterling – Cash at bank in hand	3,299,999	2,194,802
Australian dollars	2,171,772	619,649
Canadian dollars	552,939	820,723
US dollars	(267,543)	3,763
Other	–	515
Cash in hand	£5,757,167	£3,639,452
Bank loan – sterling	£1,500,000	£1,500,000

The group had undrawn borrowing facilities of £1,000,000 at 31 December 2005 (2004 – £1,000,000)

DIRECTORS AND SENIOR PERSONNEL

GOLDEN PROSPECT

Malcolm Burne
Executive Chairman

A former stockbroker and financial journalist with The Financial Times, Malcolm has controlled and managed fund management, venture capital and investment banking companies in Australia, Hong Kong and North America. Malcolm has been a director of over 20 companies, many which have been in the mineral resources and gold exploration fields. In addition, he was executive chairman of the Australian Bullion Company (Pty) Ltd., Australia's leading gold dealer and member of the Sydney Futures Exchange. Director of Mano River Resources Inc., Jubilee Platinum plc and other resources companies in Australia and Canada.

Thomas B Gaffney
Chief Executive Officer

Until founding Ambrian in 2001, Tom was director of JP Morgan's Metals and Mining Team and from 1995 was a director and member of the Management Committee in the Corporate Finance Department of Robert Fleming. He has worked in investment banking for over 20 years and has specialised in the natural resource sector. He has advised many of the major natural resource companies on acquisitions, divestitures and capital market transactions, including BHP Billiton, Glencore, Norsk Hydro, Stora Enso, Total and Rio Tinto. Tom previously worked in senior executive positions at Nesbitt Burns (the investment bank of the Bank of Montreal) and Lehman Brothers in London, New York and Toronto.

W Lawrence Banks CBE
Non-executive director

Lawrence Banks is Chairman of Ambrian Partners Limited. He was Deputy Chairman of Robert Fleming Holdings Limited, the private London based investment bank acquired by JP Morgan Chase & Co in 2000. Lawrence has spent his career in corporate finance after an initial period as a mining equity research analyst.

Richard Lockwood
Non-executive director

Richard is currently Fund Manager of City Natural Resources High Yield Trust plc. He was the founder director and manager of City Merchants High Yield Trust. Previously he was a partner with Hoare Govett for a number of years with responsibility for the mining department.

Nathan Steinberg FCA FCCA TEP
Finance director

A chartered accountant, Nathan is a partner in the London practice of Munsloes, through which his services are provided to GP. He is an experienced tax adviser and has considerable corporate experience of public companies.

Exploration Consultant
Ward International Consultants Pty Limited

Principal of Ward International is Terry Ward, a mining engineer with over 35 years' professional experience in the resources sector.

AMBRIAN

Ambrian Partners Limited
Directors

W Lawrence Banks CBE – Non-Executive Chairman
Thomas B Gaffney – Chief Executive Officer
Richard Chase
John Coles
Neil MacLachlan

SHAREHOLDER INFORMATION

Company Secretary and Registered Office

Cargil Management Services Limited
22 Melton Street
London NW1 2BW

Company Registration Number

3172986

Nominated adviser

Collins Stewart Limited
9th Floor
88 Wood Street
London
EC2V 7QR
UK

Joint Corporate Brokers

Ambrian Partners Limited
8 Angel Court
London
EC2R 7HP
UK

Collins Stewart Limited
9th Floor
88 Wood Street
London
EC2V 7QR
UK

Registrars

Capita Registrars Limited
Northern House
Woodsome Park
Fenay Bridge
Huddersfield HD8 0LA

Auditors

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
31 Carlton Crescent
Southampton
SO15 2EW



This Report and Accounts is printed by a Forest Stewardship Council recognised printer and has been printed upon Think™ bright white FSC accredited paper stock.

Golden Prospect plc
Manfield House
1 Southampton Street
London WC2R 0LR
T 020 7395 1930
F 020 7395 1931
E mail@goldenprospectplc.com
www.goldenprospectplc.com

Ambrian Partners Limited
8 Angel Court
London EC2R 7HP
T 020 7776 6400
F 020 7776 6420
E info@ambrian.com
www.ambrian.com
