

**GOLDEN PROSPECT PLC**  
**REGISTERED NUMBER: 3172986**  
**INTERIM REPORT**  
**FOR**  
**THE SIX MONTHS ENDED 30 JUNE 2004**

# GOLDEN PROSPECT PLC

## INTERIM STATEMENT

\*\*\*\*\*

The directors are pleased to report continued progress. Pre-tax profits for the six months ended 30th June 2004 were £585,415 compared with £329,537 the previous period, an increase of 78%. Unrealised gains stood at circa £12m, of which approximately £1.5m has been realised since 1 July 2004 as further profits.

As previously outlined to shareholders the company continues to pursue a more aggressive investment strategy. Buoyant conditions in the precious and base metals markets in the first period of this year provided the company with significant profitable opportunities. There was a lull in summer months but the resources markets (including energy related issues) have been scoring renewed gains and we are entering the second phase of the bull market for commodity stocks.

The robust growth in the China and Asian region, Russia and Brazil is well documented and this continues to generate above average growth prospects. Copper and Aluminium, for example, are at near six month highs.

As always, management's investment strategy will focus on situations that are near production, in production or maturely developed - a policy designed to cushion values in periods of severe market corrections, while providing liquidity. This policy has been successful as reflected in the relative performance of Golden Prospect's share price during the market downturn.

The industry is currently witnessing a steady increase in corporate action and the mergers and acquisitions among the majors is now filtering down to the mid tier companies. Next it will be the juniors, which have been substantially financed during the past 18 months of favourable market conditions. This funding will typically produce significant new discoveries leading to area and acreage plays, which in turn traditionally fuel the speculative end of the market and further expands momentum trading by the sector and special situation fund managers.

These are exciting times for the markets and the opportunities are available across the board in such areas as diamonds, uranium, platinum, coal and methane gas plus the traditional base metals and of course gold and oil.

We covered the case for gold in the recent annual report but in the immediate term the markets will be influenced by the run up to the US election in November after which it is expected that the dollar will decline further. The continued climate of financial stress will provide a strong environment for fiscal gold and gold shares at a time when equities, bonds and property are all losing their appeal.

### Corporate Development

The Company continues to expand its already strong network and is increasing its strategic alliances and joint ventures. This unquoted portion of the investment portfolio is expected to grow strongly over the next two years. As recently announced on 20th September the acquisition of Ambrian Partners Limited, the London based mining investment banking and institutional brokerage firm is by far the most important event in the company's recent history. The acquisition is a great strategic fit for Golden Prospect as Ambrian has established itself as a leading financial adviser across the mining and metals sector and has a strong reputation. The combination of the two Groups provides the enlarged entity with increasing opportunities in the natural resources sector.

## GOLDEN PROSPECT PLC

### INTERIM STATEMENT (Continued)

\*\*\*\*\*

This merger follows the earlier purchase of a 25% interest in Minesite.com (which is also a substantial shareholder in Oil Barrel.com) and management sees excellent scope for cross fertilisation of ideas. Both Ambrian and Minesite will be expanding their human resources in the immediate term. Golden Prospect is on its way to becoming a fully fledged mining and resources finance house, strongly placed to take advantage of the commodities and natural resources boom.

By way of further information, significant additional profitability has been realised over the past quarter and the value of the quoted securities portfolio is circa 32p per share. The value of the company's unquoted, strategic alliance and joint venture assets cannot be specifically quantified but management expects them to yield substantial value in the near future.

The combined value of the company is gradually moving from an emphasis on assets to earnings and thus an earnings model will now become more appropriate for the purposes of market or investment evaluation.

#### New Directors

On 20th September 2004 following the acquisition of Ambrian Partners Ltd Tom Gaffney (aged 46) and Lawrence Banks (aged 66) were appointed to the Board of Golden Prospect Plc. Details of their other directorships are set out at the end of this statement.

Mr Gaffney is interested in 4,420,083 Golden Prospect 10p Ordinary Shares representing 4.6 per cent of the Company's share capital and has been granted options to acquire 2,839,950 ordinary shares at a price of 30p per share exercisable until 19th September 2011.

Mr Banks is interested in 419,115 Golden Prospect 10p Ordinary Shares representing 0.4 per cent. of the Company's share capital and has been granted options to acquire 225,000 Ordinary Shares at a price of 30p per share, exercisable until 19 September 2011.

In addition, the Company has granted additional options to acquire 3,155,000 Golden Prospect Ordinary Shares at a price of 30p per share, exercisable until 19th September 2011, to employees of Ambrian and related parties.

Finally the Company has been advised on 23rd September 2004 that City of London Investment Management Company Limited now holds 12,144,544 shares in Golden Prospect Plc representing 12.6% of the total shares in issue.

For further information contact:  
Malcolm A. Burne, Chairman  
Tel: 0207 845 7500

28th September 2004

**GOLDEN PROSPECT PLC**

**UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Six Months ended 30 June 2004**

	<b>Six Months To 30/6/04</b>	<b>Six Months To 30/6/03</b>
	£	£
<b>Sales</b>	2,471,796	562,235
Cost of sales	(1,683,094)	(153,601)
<b>Gross profit</b>	788,702	408,634
Other operating income – dividends received	42,583	54,441
Administrative expenses	(260,131)	(142,477)
<b>Operating profit – continuing operations</b>	571,154	320,598
Interest receivable	14,261	8,939
<b>Profit on ordinary activities before taxation</b>	585,415	329,537
Tax on profit on ordinary activities	126,817	99,000
<b>Profit for the financial period</b>	458,598	230,537
Profit per ordinary share – basic	0.51p	0.26p

**GOLDEN PROSPECT PLC**

**UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2004**

	<b>30/6/04</b>		<b>30/6/03</b>	
	£	£	£	£
<b>FIXED ASSETS</b>				
Tangible fixed assets		3,129		2,272
Intangible assets		2,234,986		3,014,386
Investments		3,839,660		4,368,540
		<u>6,077,775</u>		<u>7,385,198</u>
 <b>CURRENT ASSETS</b>				
Investments	11,512,999		7,823,765	
Debtors	87,051		25,916	
Cash at bank and in hand	649,642		418,289	
		<u>12,249,692</u>		<u>8,267,970</u>
<b>CREDITORS:</b> Amounts falling due within one year	1,218,609		390,943	
<b>NET CURRENT ASSETS</b>		<u>11,031,083</u>		<u>7,877,027</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>17,108,858</u>		<u>15,262,225</u>
 <b>CAPITAL AND RESERVES</b>				
Called up share capital		9,038,493		8,938,496
Share premium account		8,365,450		8,115,458
Profit and loss account		(295,085)		(1,791,729)
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>17,108,858</u>		<u>15,262,225</u>

## GOLDEN PROSPECT PLC

### NOTES TO THE UNAUDITED INTERIM ACCOUNTS Six months ended 30 June 2004

- 1 The calculation of earnings per share is based on the profit after tax of £458,598 (Period ended 30 June 2003 - £230,537) and on the number of shares in issue being the adjusted weighted average number of shares in issue during the period of 90,045,211 (Period ended 30 June 2003 – 89,384,958)
- 2 The interim statement for the six months ended 30 June 2004 is unaudited and was approved by the Directors on 28 September 2004. The financial information set out above does not constitute statutory accounts within the meaning of s.240 of the Companies Act 1985.
- 3 The accounting policies remain as stated in the Annual Report for the year ended 31 December 2003.
- 4 On 17 September 2004 the group acquired 100% of Ambrian Partners Limited, for a consideration of £2,168,135 satisfied by £300,250 and the issue of 6,226,282 ordinary shares at 30p per share.
- 5 Copies of the Interim Report are available to the public free of charge from the company at Manfield House, 2<sup>nd</sup> Floor, 1 Southampton Street, London WC2R 0LR during normal office hours, Saturdays, Sundays and bank holidays excepted, for 14 days from today .

#### 6 Information on new directors

Neither of the new directors will be remunerated by Golden Prospect PLC

Thomas Benedict Gaffney, aged 46, who will continue to be remunerated by Ambrian Partners Limited on his current basis under his service contract with that company, is or has been a director of the following companies during the previous five years

<i>Current directorships</i>	<i>Past directorships</i>
Ambrian Partners Limited	Robert Fleming International Limited

## GOLDEN PROSPECT PLC

### NOTES TO THE UNAUDITED INTERIM ACCOUNTS Six months ended 30 June 2004 (Continued)

#### 6 Information on new directors (Continued)

William Lawrence Banks, aged 66, who will continue to be remunerated on his current basis by Ambrian Partners Limited is or has been a director of the following companies during the previous five years

<i>Current directorships</i>	<i>Past directorships</i>
Ambrian Partners Limited	The Chelsea Physic Garden Company
Blavod Extreme Spirits plc	Christ Church Spitalfields Restoration Trust
La Compagnie des Armagnacs Limited	The Fleming Mercantile Investment Trust
The Dendrology Charitable Company	The Health Foundation
Flaremore Services Limited	Imperial College Innovations Limited
The Hereford Cathedral Perpetual Trust	National Blood Authority
Herefordshire Community Foundation	The PPP Foundation
The Hereford Mappa Mundi Trustee Company Limited	Symmetry Medical Inc. (USA)
The Kingston Connected Community Company Limited	William Cook Holdings Limited
The Lister Institute of Preventative Medicine	The Wye And Usk Foundation
Roper Industries Inc. (USA)	
Tritex Corporation (USA)	
Wester Elchies Limited	

No other matters require disclosure in accordance with Paragraph (f) of Schedule Two of the AIM Rules