



Gold Participation and Income Fund

GOLD PARTICIPATION AND INCOME FUND FILES PRELIMINARY PROSPECTUS FOR WARRANT OFFERING

Toronto, Ontario, March 16, 2011 – (TSX: GPF.UN) – Gold Participation and Income Fund (the “Fund”) is pleased to announce that it has filed a preliminary short form prospectus relating to an offering of warrants (“Warrants”) to holders (“Unitholders”) of its units (“Units”). Each Unitholder of record on a date to be established prior to filing the final short form prospectus will receive one Warrant for each Unit held.

Each Warrant will entitle its holder to acquire one Unit upon payment of the subscription price. The Record Date and the subscription price will be determined at the time the Fund files its final prospectus for the offering. The Fund has applied to list the Warrants and the Units issuable upon the exercise thereof on the Toronto Stock Exchange.

The exercise of Warrants by holders will provide the Fund with additional capital that can be used to take advantage of attractive investment opportunities and is also expected to increase the trading liquidity of the Units and to reduce the management expense ratio of the Fund.

The Fund may invest up to 50% in gold shares of SPDR Gold Trust, an exchange-traded fund that seeks to track the price of gold by investing directly in gold bullion, and up to 75% in a portfolio (the “Managed Gold Portfolio”) of equity securities selected from the S&P/TSX Global Gold Index, a dynamic international benchmark of the world’s leading gold companies. To generate additional returns above the distributions earned on its equity securities, the Fund may from time to time write covered call options on up to 25% of the securities in its portfolio. The composition of the Managed Gold Portfolio, the securities that may be subject to call options and the terms of such options will vary from time to time, depending on market conditions. The manager and investment manager of the Fund is Mulvihill Capital Management Inc.

For further information, please contact Investor Relations at 416.681.3900, toll free at 1.800.725.7172 or visit www.mulvihill.com.

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A member of the Mulvihill Capital Management Inc. Group of Funds

A preliminary short form prospectus containing important information relating to these securities has been filed with the securities commissions or similar authorities in certain jurisdictions of Canada. The preliminary short form prospectus is still subject to completion or amendment. Copies of the preliminary short form prospectus may be obtained from Mulvihill Capital Management Inc. at the address, telephone numbers, website and e-mail address set forth above. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.