

Press Release:



TSX SYMBOLS: PPL, PPL.PR.A
SUBJECT: DIV

PRIME RATE PLUS CORP. Regular Monthly Dividend Declaration

TORONTO, ONTARIO – January 18, 2006 / CCN Matthews: Prime Rate Plus Corp. (“Prime Plus”) declares its regular monthly distribution of \$0.08750 (7.00% annualized) for each Class A share which reflects the distribution policy of prime rate in Canada (5.00% as at Jan 15th) plus 2% annually. Prime Plus also declares its regular monthly distribution of \$0.04792 (5.75% annualized) for each Preferred share which reflects the distribution policy of prime rate plus 0.75% annually. Distributions are payable February 10, 2006 to shareholders on record as of January 31, 2006.

Since inception Class A shareholders have received a total of \$0.50 per share and Preferred shareholders have received a total of \$0.29 per share inclusive of this distribution, for a combined total of \$0.79.

The fund’s investment objectives are:

Preferred Shares:

- (i) to provide holders of the Preferred Shares with cumulative preferential floating rate monthly cash dividends at a rate per annum equal to the Prime Rate in Canada plus 0.75% (minimum 5%, maximum 7%) based on original issue price of \$10.00 per share
- (ii) on or about December 1, 2012 (termination date), to pay the holders of the Preferred Shares the original issue price of those shares.

Class A Shares:

- (i) to provide holders of the Class A Shares with regular floating rate monthly cash distributions targeted to be at a rate per annum equal to the Prime Rate in Canada plus 2.0% (minimum 5%, maximum 10%) based on original issue price of \$15.00 per share
- (ii) on or about December 1, 2012 (termination date), to pay the holders of Class A Shares at least the original issue price of those shares.

Prime Plus invests in a portfolio of six publicly traded Canadian Banks as follows: Bank of Montreal, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, Bank of Nova Scotia, Toronto-Dominion Bank. Shares held within the portfolio are expected to range between 5-20% in weight but may vary at any time. To generate additional returns above the dividend income earned on the portfolio, Prime Plus will engage in a selective covered call writing program.

Distribution Details:

Class A Share (PPL):	\$0.08750
Preferred Share (PPL.PR.A)	\$0.04792
Ex-Dividend Date:	January 27, 2006
Record Date:	January 31, 2006
Payable Date:	February 10, 2006

For further information, please contact:

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