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Company Announcements Office
Australian Securities Exchange Ltd
ASX Release

Multiple Wide High-Grade Gold-Copper Results From Trenching at Pala Prospect in the Pinang-Pinang Project

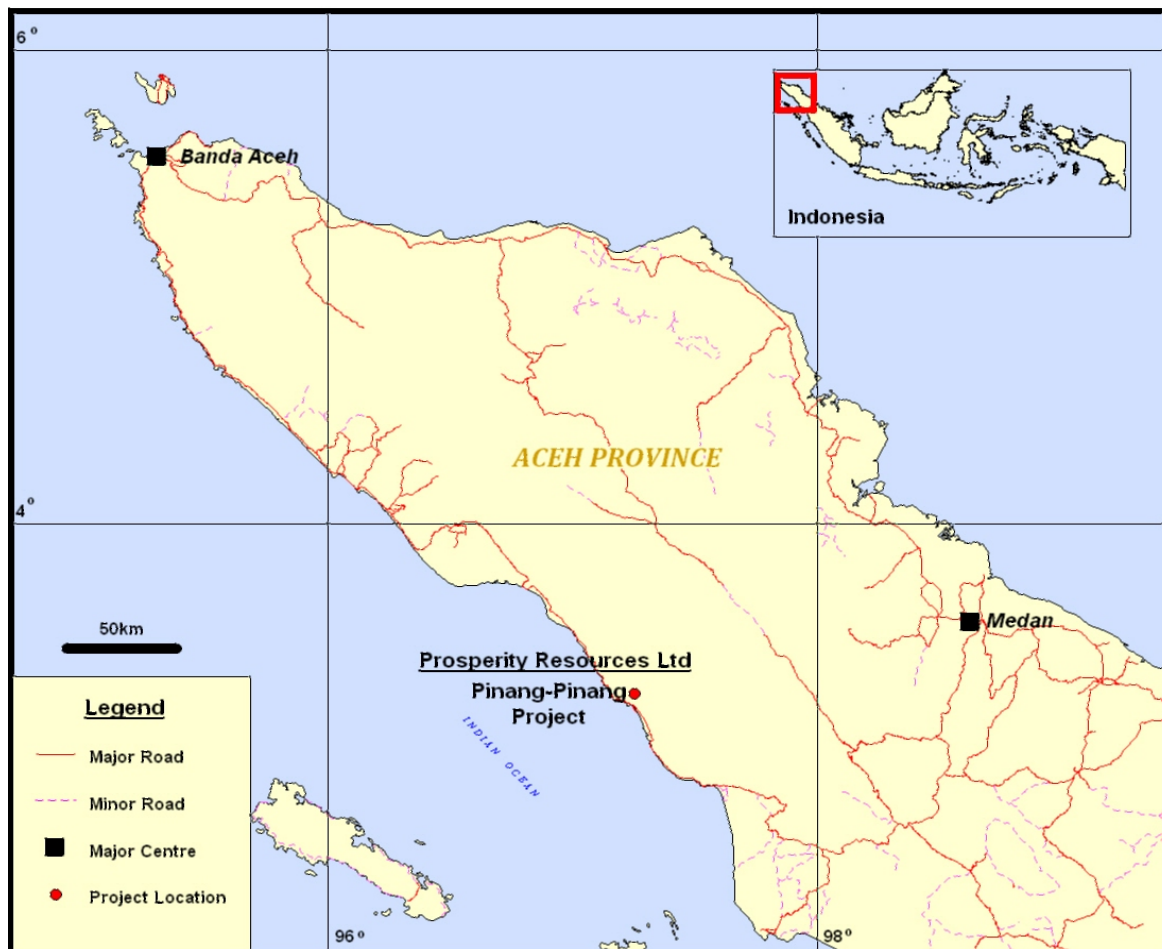
- A trenching and channel sampling program at the **Pala** Prospect has reported multiple wide, high-grade gold/copper intercepts over a strike length of at least 400m within a 250m wide mineralised corridor. This mineralised corridor is open along strike to the north west and south east. This includes best results in Trench 21 of 91.7m @3.65 g/t gold and 0.45% copper.
- Trench results include
 - ▶ T5A **8m @ 5.39 g/t gold and 0.26% copper**
 - ▶ T5B **18m @ 4.01 g/t gold and 0.63% copper**
 - ▶ T8 **38m @ 3.51 g/t gold and 0.41% copper**
 - ▶ T12 **23m @ 2.26 g/t gold and 0.76% copper**
 - ▶ T13 **20m @ 6.60 g/t gold and 0.27% copper**
 - ▶ T16A **16m @ 9.25 g/t gold and 0.12% copper**
 - ▶ T16B **4m @ 18.30 g/t gold and 0.07% copper**
 - ▶ T20 **31m @ 1.16 g/t gold and 0.18% copper**
 - ▶ T21 **91.7m @ 3.65 g/t gold and 0.45% copper**
 - ▶ T22 **53.5m @ 0.94 g/t gold and 0.12% copper**
 - ▶ T23 **42m @ 5.46 g/t gold and 0.16% copper**
- Drilling rig arrived on site this week to commence a diamond drilling program.





Prosperity Resources Limited (ASX: **PSP**) is pleased to announce that a program of trenching and channel sampling at the Pinang-Pinang gold-copper Project in Aceh Province, Indonesia has reported highly significant surface gold plus copper mineralisation.

The trenching program was completed after soil sampling by Prosperity defined very strong (+1g/t gold) soil anomalies at the **Pala** Prospect.



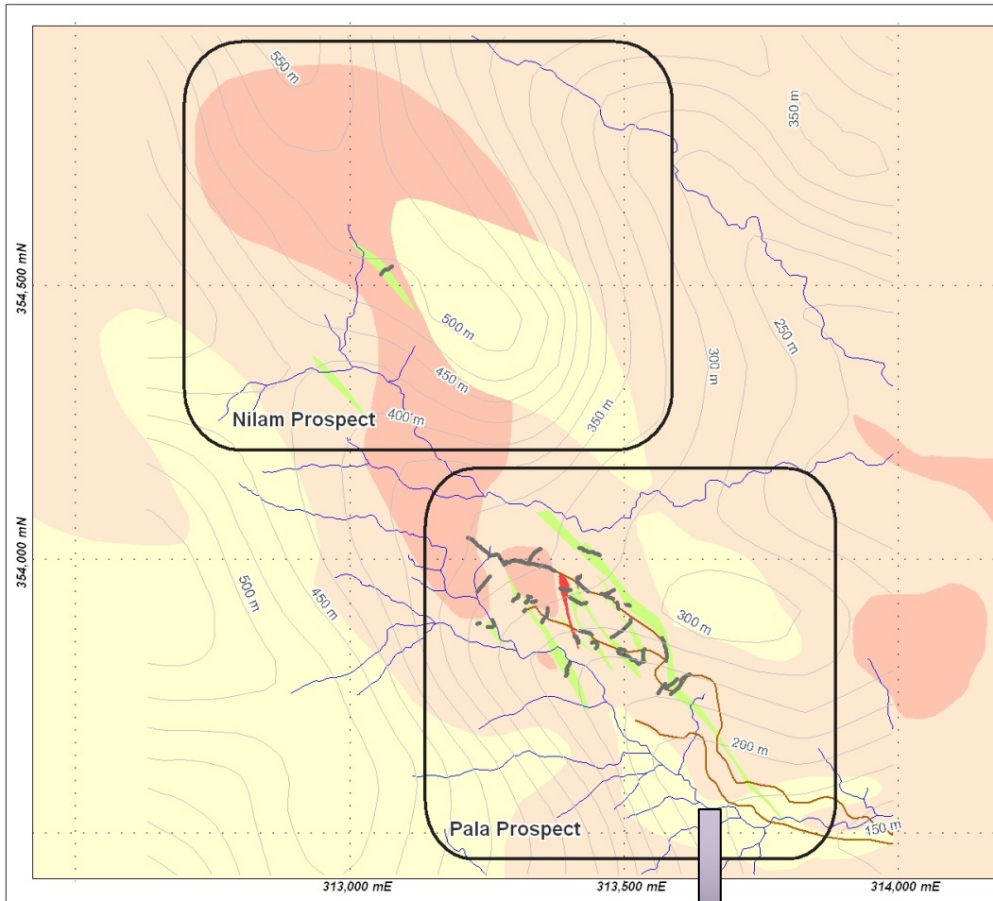
Pinang-Pinang Location Plan

Gold mineralisation (+copper) is seen to occur in two settings;

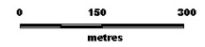
- ▶ Within a series of parallel north-west trending silica-magnetite-sulphide replacement zones up to 25 metres wide and at least 400m long, and
- ▶ As quartz stockwork mineralisation within intrusive andesitic porphyry and microdiorite rocks that also host the silica-magnetite-sulphide replacement bodies.

Together these replacement alteration zones and broader halos of stockwork veining and fracturing are interpreted to define the upper extremity of a gold-copper mineralised porphyry system.

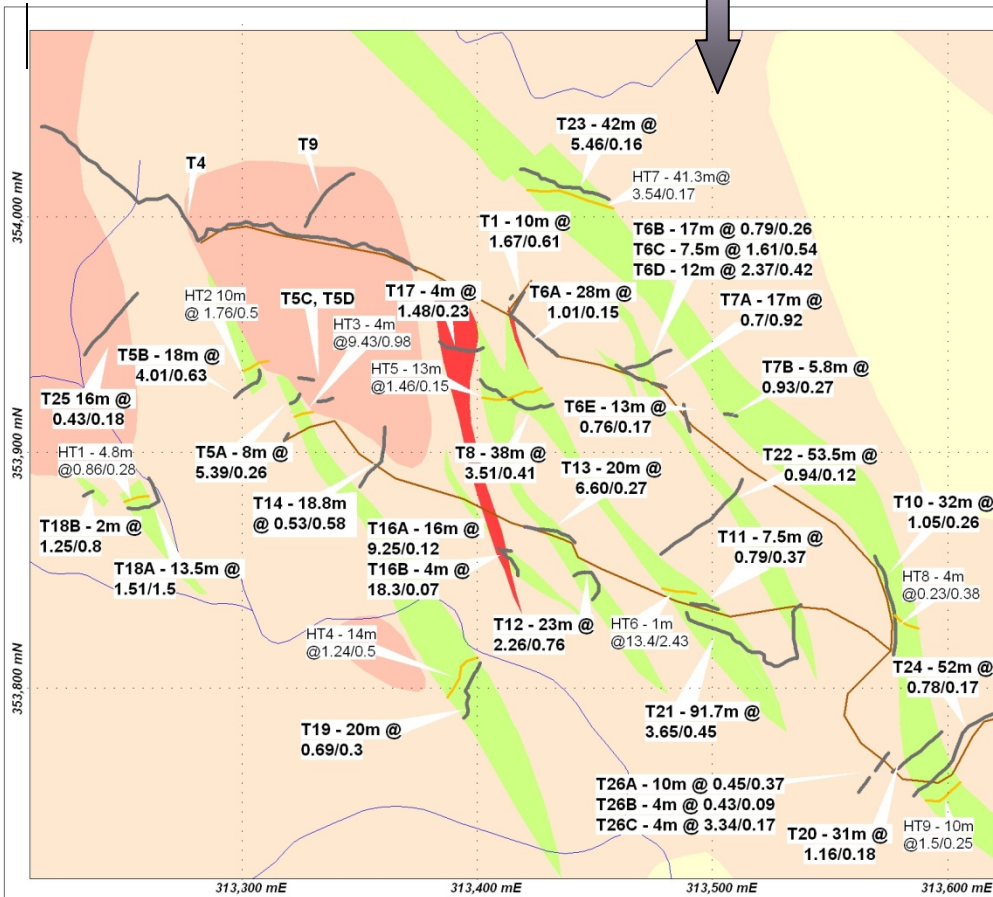




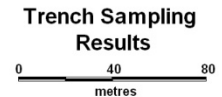
PINANG PINANG PROJECT
Regional Geology and Prospect Locations



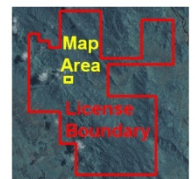
- Prosperity Trench
- Track
- River
- 25m Topographical Contour
- Crystalline Quartz Veining
- Silica-magnetite-sulphide replacement zones
- Undifferentiated sediment
- Andesitic porphyry intrusive/microdiorite
- Granodiorite



PINANG PINANG PROJECT
Trench Sampling Results



- Prosperity Trench (Au g/T / Cu %)
- Historic Trench
- Track
- River
- Crystalline Quartz Veining
- Silica-magnetite-sulphide replacement zones
- Andesitic porphyry intrusive/microdiorite
- Granodiorite
- Undifferentiated sediment



Chairman, Mr Mo Munshi said “these trench results are exceptional and we are very excited about the potential of this project. Prosperity is about to commence the first ever drill testing of this target and we could be on the verge of a major gold/ copper discovery.”

A Drillcorp diamond drill rig has arrived on site and will immediately commence a 3,000m diamond core program at the Pala Prospect. Five 80m spaced drill fences are initially proposed to test the top 80 metres of the Pala Prospect.



Camp construction at Pinang-Pinang



Channel sampling at Pala

Project Geology

Trenching and geological mapping completed by Prosperity has confirmed and further delineated the presence of a north-west trending structural corridor containing multiple sub-vertical gold-copper \pm molybdenum mineralised silica-magnetite-sulphide alteration zones hosted within intrusive andesitic porphyry and microdiorite host-rocks.

These multiple altered, deformed and mineralised zones are up to twenty five metres wide and are mappable over a strike length of at least 400 metres within a 250 metre wide corridor.

These mineralised zones are comprised of intense replacement silica and hydrothermal magnetite alteration. The replacement style alteration of the andesitic country rocks is preceded, cross-cut and surrounded by multiple generations of high temperature crystalline quartz veins, sulphide, magnetite and quartz-magnetite-sulphide stockwork veinlets / breccia fill and disseminated and locally semi-massive pyrite-chalcopyrite \pm molybdenite mineralisation.

The presence of stockwork quartz-magnetite-sulphide veining, spaced zones of structurally controlled silica-magnetite alteration and surrounding widespread domains of porphyry-style chlorite-sericite-magnetite wallrock alteration suggests the upper level of a mineralised porphyry system.





Project Background

In April 2009 Prosperity announced that it had entered into an agreement to acquire the Pinang-Pinang gold-copper project and commenced exploration as part of its due diligence. In July 2009 Prosperity through its 90% owned Indonesian subsidiary, PT Prospindo, signed a formal Joint Venture agreement with the shareholders of PT Multi Mineral Utama (PT MMU) which allows for the subscription of 80% of the shares in PT MMU by the PT Prospindo (90%) - PT Dana (10%) Joint Venture holding company created under the October 2008 Cooperation Agreement.

The Joint Venture holding company named PT Prosperity Surya Persada (PT PSP) will earn 80% equity in PT MMU through exploration expenditure of US\$1,250,000. PT PSP has the option to purchase a further 10% equity in PT MMU for cash or shares to the value of 10% of the net present value of the Pala Project at that time as determined by an Independent Expert. Under this structure Prosperity Resources Ltd has the ability to hold up to 72.9% of the Pinang-Pinang project with the other parties free carried.

As announced PT PSP has signed a Share Sale Agreement with PT MMU to acquire 51% of the shares in PT MMU following the completion of the first US\$500,000 of exploration expenditure.

Upon delineation of a JORC code compliant resource, PT PSP will have the option to pay the shareholders of PT MMU a further US\$1,250,000 in cash and US\$250,000 equivalent in Prosperity shares (based on the closing price at 31 March 2010) to acquire the top thirty metres of oxide material at the Pala Prospect. Outside of the Pala Prospect, PT PSP has no obligation to make additional payments for oxide material outside the terms of the agreement as outlined above.

Sample Collection and Analysis

Manually excavated trenches were completed to approximately 1.5m depth or where hard rock was encountered. Samples were taken over 1m-4m spaced intervals from horizontal channels cut near the base of the trench. Channel samples were manually cut into exposed rock faces and samples collected over 1m-4m intervals. Trench location and orientation was largely dictated by geological exposure and topography. Gold analysis was undertaken by Intertek Jakarta by fire assay analysis. Copper was analysed by ICP following acid digest. High grade results were re-analysed with an ore grade digest and ICP finish.

For further information please contact the undersigned on (08) 9322 7575.

Mo Munshi

Chairman/Managing Director

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PINANG PINANG PROSPECT								
TRENCH SAMPLING RESULTS - SIGNIFICANT INTERCEPTS								
Trench No	Prospect	Start Easting	Start Northing	Interval	From	Au (g/t)	Cu(%)	
T1	Pala	313414	353958	10	0	1.67	0.61	
T5A	Pala	313324	353924	8	2	5.39	0.26	
T5B	Pala	313308	353933	18	0	4.01	0.63	
T6A	Pala	313414	353958	28	0	1.01	0.15	
T6B	Pala	313458	353937	17	0	0.79	0.26	
T6C	Pala	313468	353931	7.5	0	1.61	0.54	
T6D	Pala	313474	353929	12	0	2.37	0.42	
T6E	Pala	313487	353920	13	0	0.76	0.17	
T7A	Pala	313462	353935	17	0	0.7	0.92	
T7B	Pala	313505	353916	5.8	0	0.93	0.27	
T8	Pala	313430	353920	38	0	3.51	0.41	
T10	Pala	313577	353817	32	0	1.05	0.26	
T11	Pala	313500	353834	7.5	5	0.79	0.37	
T12	Pala	313450	353839	23	0	2.26	0.76	
T13	Pala	313442	353862	20	6.5	6.6	0.27	
				<i>Includes 2m @46 g/t gold</i>				
T14	Pala	313351	353886	18.8	0	0.53	0.58	
T16A	Pala	313410	353858	16	0	9.25	0.12	
T16B	Pala	313410	353858	4	0	18.3	0.07	
				<i>Includes 2m @31 g/t gold</i>				
T17	Pala	313401	353944	4	14	1.48	0.23	
T18A	Pala	313262	353886	13.5	5	1.51	1.5	
T18B	Pala	313237	353884	2	2.5	1.25	0.8	
T19	Pala	313400	353809	20	0	0.69	0.3	
T20	Pala	313576	353764	31	0	1.16	0.18	
T21	Pala	313490	353829	91.7	0	3.65	0.45	
				<i>Includes 2m @33 g/t gold</i>				
T22	Pala	313512	353889	53.5	0	0.94	0.12	
T23	Pala	313455	353008	42	0	5.46	0.16	
				<i>Includes 2m @52 g/t gold</i>				
T24	Pala	313619	353789	52	20	0.78	0.17	
T25	Pala	313233	353941	16	0	0.43	0.18	
T26A	Pala	313569	353765	10	0	0.45	0.37	
T26B	Pala	313562	353756	4	0	0.43	0.09	
T26C	Pala	313572	353769	4	0	3.34	0.17	
Previously reported Meekatharra Minerals/Teck trenches								
HIST 1	Pala	313250	353879	4.8	-	0.86	0.28	
HIST 2	Pala	313299	353934	10	-	1.76	0.5	
HIST 3	Pala	313322	353915	4	-	9.43	0.98	
HIST 4	Pala	313387	353796	14	-	1.24	0.5	
HIST 5	Pala	313402	353923	13	-	1.46	0.15	
HIST 6	Pala	313478	353842	1	-	13.4	2.43	
HIST 7	Pala	313421	354011	41.3	-	3.54	0.17	
HIST 8	Pala	313577	353830	4	-	0.23	0.38	
HIST 9	Pala	313591	353752	10	-	1.5	0.25	
Grid Coordinates: WGS84 Zone 47 North								

Competent Person Statement

Information in this announcement that relates to Exploration Results is based on information compiled by Michael Ivey, Principal of M Ivey Pty Ltd trading as MetalsEx Capital, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Ivey is a permanent employee of MetalsEx Capital and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 JORC Code. Michael Ivey consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears.

