



PROSPERITY

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Company Announcements Office
Australian Securities Exchange Ltd
ASX Release

Prosperity Acquires Gold Rich Porphyry Target In Aceh Province, Indonesia

- **Agreement signed to acquire 80% of Pinang-Pinang gold copper project**
- **Previous exploration reported trench results including**
 - **41.3 metres @ 3.54g/t gold & 0.17% copper**
 - **4 metres @ 9.43g/t gold & 0.98% copper**
 - **10 metres @ 1.76g/t gold & 0.50% copper**
 - **14 metres @ 1.24g/t gold & 0.50% copper**
- **No known drilling - exploration by Prosperity to commence immediately**
- **Targeting a bulk tonnage porphyry style resource**

Prosperity Resources Limited (ASX: PSP) is pleased to announce that it has reached an agreement to acquire an 80% interest in the 2,000ha Pinang-Pinang gold copper license (KP). This highly prospective license is under-explored with no known drilling or geophysical exploration undertaken to date.

Chairman, Mr Mo Munshi said “This project acquisition is the first step in Prosperity’s focus on highly prospective Indonesian targets. The recently resolved political and social unrest in Aceh Province, Indonesia provides Prosperity with an excellent opportunity to commence the first modern exploration in nearly ten years. The historic trench results offer an immediate drill target with excellent potential.”



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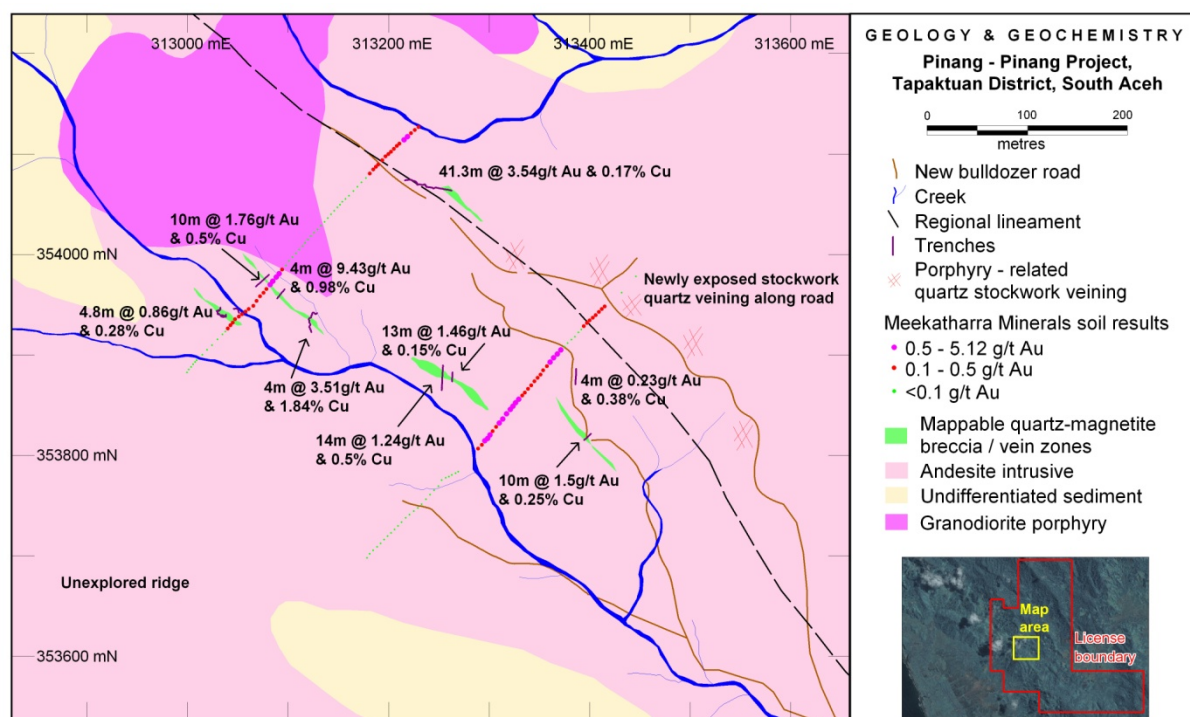


Figure 1. Pinang-Pinang summary geology and Meekatharra Minerals / Teck JV trench results

HIGHLIGHTS

Channel and trench sampling completed during previous exploration by CRA Ltd and Meekatharra Minerals Ltd in the 1990's defined broad intervals of strong gold mineralisation and consistent, highly anomalous copper geochemistry associated with breccia/vein zones, stockwork quartz veins and pervasive hydrothermal magnetite alteration (Figure 1). These are considered likely to represent a genetic relationship with a concealed gold-rich intrusive-related porphyry system.

Results include:

Meekatharra Minerals Ltd. / Teck Exploration Ltd. J.V. Trench Results (1998)

- **41.3 metres @ 3.54g/t gold & 0.17% copper, including 7 metres @ 7.16g/t gold & 0.20% copper & 10 metres @ 6.06g/t gold & 0.20% copper**
- **10 metres @ 1.76g/t gold & 0.50% copper**
- **4 metres @ 9.43 g/t gold & 0.98% copper**
- **14 metres @ 1.24g/t gold & 0.50% copper**
- **13 metres @ 1.46g/t gold & 0.15% copper**

Prosperity Resources will commence a due diligence exploration programme this week. This will include detailed grid-based soil sampling, ground magnetic surveys and additional trenching to confirm and extend the area of known mineralisation, define new targets and ultimately generate drill targets within a three month period.



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TRANSACTION SUMMARY

Prosperity Resources can earn 51% equity in the Pinang-Pinang project through exploration expenditure up to or exceeding US \$500,000 (first year) which includes a US \$50,000 cash payment to PT Multi Mineral Utama (MMU). Prosperity Resources can terminate the agreement without penalty after three months if the results are not satisfactory.

Prosperity can increase its equity in the project to 80% by spending a further US \$750,000 (second year) which includes a US \$75,000 cash payment to MMU bringing the total exploration expenditure to US \$1,250,000.

This transaction will be conducted through Prosperity's Indonesian Joint Venture agreement with PT Dana Mitra Utama.

PROJECT DETAILS

The **Pinang-Pinang gold-copper license** is located in the southern regency of Aceh Province, North Sumatra, Indonesia, 20 kilometres south-southeast of the town of Tapaktuan and five kilometres inland from the ocean (Figure 2).

The license geology forms part of a Late Jurassic to early Cretaceous age andesite-volcanic dominated island arc. Mid to late Tertiary island arc-related magmatism led to the emplacement of diorite and granodiorite intrusives along the belt. Large gold resources are related to many of these intrusives including Oz Minerals's **Martabe resource** (127.8 Mt @ 1.4g/t gold and 15g/t silver; 5.5 Moz gold and 60 Moz silver), Oropa Limited's **Pungkut resource** (13.2 Mt @ 2.4g/t gold; 1 Moz gold) and East Asia Minerals's **Miwah Project**. (100 Mt @ 1.2g/t gold; 3.8 Moz gold) (Figure 1) ¹.

Regional exploration programmes previously conducted throughout the south Aceh District by CRA in the late 1980's and subsequently by a Meekatharra Minerals Ltd. / Teck Exploration Ltd. Joint Venture in the late 1990's identified numerous strong stream sediment and rock-chip gold, silver and copper geochemical anomalies within and around the Pinang-Pinang license and throughout the belt. Only a small number of these anomalies were followed-up, including Pinang-Pinang. Work conducted at Pinang-Pinang comprising trench/channel sampling of geological exposure and limited soil sampling highlighted, but did not thoroughly test the exceptional prospectivity of the license.

This work identified:

- broad intervals of breccia, stockwork quartz vein-hosted and disseminated gold-copper mineralisation in largely intrusive host-rocks;
- intrusive-hosted gold-copper mineralisation spatially and temporally-related to secondary magnetite alteration which often associates with a magnetite- and gold-rich porphyry systems at depth;
- strong, pervasive alteration over an area in excess of 1,000 by 250 metres.

Trenches at **Pinang-Pinang prospect** exposed zones of semi-massive and disseminated higher-grade gold-copper mineralisation hosted in sub-vertical, structure-controlled, quartz-sulphide-magnetite



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lodes (breccias and veins) within and adjacent to the main creek (Tables 1). New road access has exposed stockwork quartz vein-hosted and disseminated mineralisation. This suggests that the mineralisation defined from trench SA46939 and from soil sampling continues both across adjacent ridges and along strike. The true areal extent of mineralisation therefore, remains to be determined.

¹ www.ozminerals.com, www.oropa.com.au, www.eaminerals.com

Table 1: Meekatharra Minerals / Teck JV Significant Trench Results (1998)

Trench/Channel #	Interval (m)	Gold (g/t)	Copper (%)
PJ45901 & SA46969	41.3	3.54	0.17
including	7	7.16	0.20
including	10	6.06	0.20
SA46920	10	1.76	0.50
PJ46752	14	1.24	0.50
PJ46776	13	1.46	0.15
SA46939	10	1.50	0.25
SA46907	4	9.43	0.98
SA46951	4.8	0.86	0.28
SA46945	4	0.23	0.38
PJ45286	4	3.51	1.84

The style of mineralisation exposed to date by these trenches in zones of limited outcrop at Pinang-Pinang provides the possibility for bulk-tonnage, intrusive-hosted porphyry-style gold-copper mineralisation. Analogous geological models of this type include the Batu Hijau gold-copper mine in east Indonesia and the Ridgeway gold-copper resource in New South Wales, Australia.

PLANNED WORK PROGRAMME

Prosperity Resources will complete detailed grid-based soil sampling and ground magnetic surveys and additional trenching across the Pinang-Pinang prospect to confirm previously defined zones of mineralisation, identify the strike extent of the mineralised system and define new targets.

Recognised gold-copper mineralisation throughout the prospect is temporally related to hydrothermal magnetite alteration and therefore a ground magnetic survey used in conjunction with soil and trench geochemistry should effectively define drill targets at depth.





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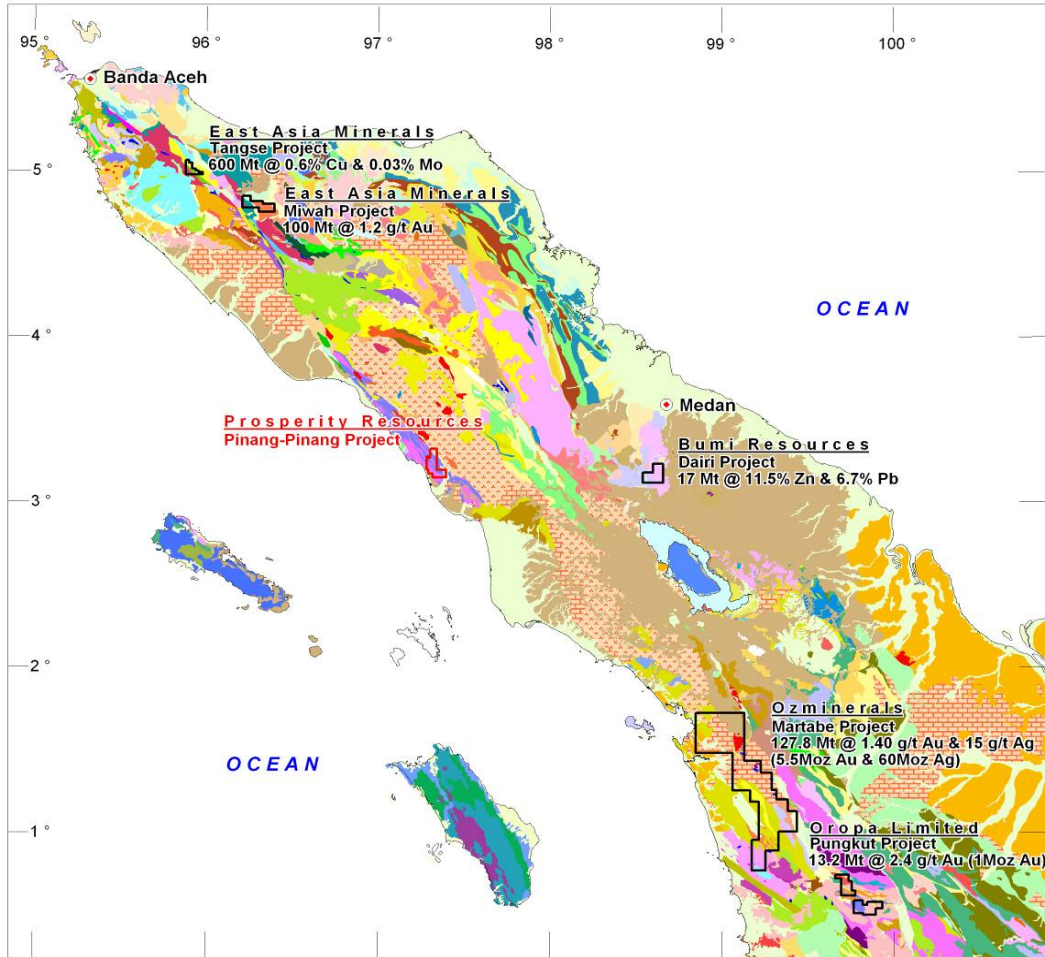


Figure 1. Pinang-Pinang Project Location Map.

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

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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.*



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***PINANG - PINANG PROSPECT
CHANNEL and TRENCH SAMPLING RESULTS - SIGNIFICANT INTERCEPTS***

Trench/Channel #	Interval (m)	Gold (g/t)	Copper (%)
PJ45901 & SA46969	41.3	3.54	0.17
including	7	7.16	0.20
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PJ45286	4	3.51	1.84

Notes:

- Gold and copper assays from individual trench and channel samples between 0.8m – 2.0m length taken along the trench/channel
- 3m maximum internal dilution, 0.5 g/t Au lower cut, no upper cut and/or 0.2% copper lower cut, no upper cut
- True width of mineralisation not determined
- Source Data P.T. ARLIA RIOTOWIJAYA July - September 1990 Quarterly Report No.3 Tapaktuan DU 423-427/ACEH



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