



13 March 2012

**PELUMAT PROJECT: FIRST HOLE INTERSECTS SIGNIFICANT CU-MO MINERALISATION**

**ASX: PSP**

**SHARE INFORMATION**

Issued Shares: 346.54m

Unlisted Options: 19.45m

**BOARD OF DIRECTORS**

Chairman & MD: M. Munshi

Non-Exec: J. Arbuckle

Non-Exec: S. Hempel

Non-Exec: M. Habriansyah

**COMPANY SECRETARY**

Garry Taylor

Lionel Liew

**PRINCIPAL CONTACT**

Mo Munshi – Chairman & MD

Phone: +61 414 549 329

+86 139 1017 5192

**WEBSITE**

[www.prosperity.net.au](http://www.prosperity.net.au)

**REGISTERED OFFICE**

100 Parry St  
Perth, WA, 6000

Phone: +61 (8) 9322-7575

Fax: +61 (8) 9322-9485

E: [info@prosperity.net.au](mailto:info@prosperity.net.au)

**KEY PROJECTS**

**ACEH**

Ownership: earning 73%

Location: Aceh, Indonesia

**TENNANT CREEK**

Ownership: 100%

Location: NT, Australia

**Highlights:**

- Prosperity commenced drilling on the 4<sup>th</sup> March at its Pelumat Project in the BAM Joint Venture Licence (IUP), the sixth gold-copper anomalous magnetic target defined in its Aceh portfolio in Northern Sumatra, Indonesia.
- Significant intersections containing disseminated, fracture and vein hosted pyrite-chalcopyrite-molybdenite mineralisation are reported from preliminary logging of the first 120 metres drilled in the hole to date. Similar material is observed in outcrop from the area and usually has significant Au values associated with the copper mineralisation (see 13 February 2012 release).
- Mineralisation is associated with a zone of brecciated retrograde skarn and brecciated and hydrothermally altered microdiorite related to the margins of an intense magnetic anomaly. Alteration also includes veins of K-feldspar and biotite.
- Two additional drill sections have been defined from Prosperity's mapping and prospecting and drill pads and access is currently being prepared.
- Core will be submitted for analysis when hole is completed.

Prosperity Resources Limited (ASX: PSP) is pleased to inform the market of the commencement of its drilling program on the 4<sup>th</sup> of March at the South Pelumat Project in southern Aceh.

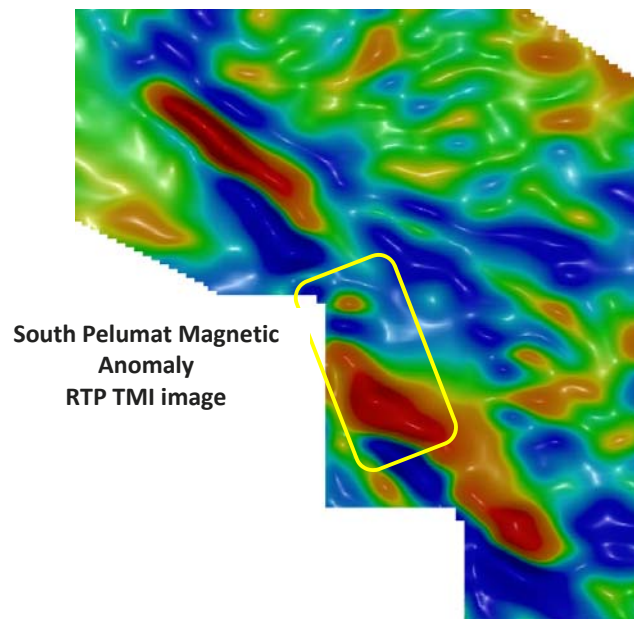
The initial three drill holes planned are to test a broad zone of highly anomalous Au-Cu-Mo values in soil and rock chip samples associated with outcropping skarns and altered microdiorite intrusives. These rocks are spatially closely associated with the margins of an intense magnetic feature assumed to be a magnetite-rich microdioritic intrusive defined from Prosperity's helicopter-borne magnetic survey through the region. The core of the magnetic target will be tested by additional drilling at a later stage. (Refer ASX releases on 13 September 2010 and 22 February 2011 for details of the magnetic survey and examples of 3D inversion modelling).

The Pelumat Prospect is one of ten known magnetic skarn and intrusive targets recognised by Prosperity along 60 kilometres of strike length in Prosperity’s 410 square kilometre Aceh Project. The location of Prosperity exploration activities in southern Aceh are shown in Figure 13.

Chairman Mr Mo Munshi said, “These new drill intersections achieved at the start of our drilling program at Pelumat are very exciting and support the very encouraging geochemical results we obtained. The drilling results are also important in that they are improving our understanding of the physical attributes of the targets we are locating in Aceh and controls on mineralisation distribution within them which in turn influences our evolving model for the deposits we are selecting for assessment. Their relative ease of access being near the coast is a bonus”.

### **Geology, Mineralisation and Location of Drill Sites**

The South Pelumat aeromagnetic anomaly and the geochemical target are shown boxed in yellow in Figure 1. The soil and rock anomalism has not been closed in a southeast direction. The prominent narrow North Pelumat anomaly appears to lack the strong geochemical character of the boxed southern anomaly. The smaller anomaly to the south of the boxed anomaly requires follow up.



**Figure 1: View of Pelumat magnetic anomalies with South Pelumat target anomaly boxed.**

Additional prospecting and reconnaissance mapping in proximity to the South Pelumat drill traverses has revealed several sites containing massive segregations of chalcopyrite within skarn and as replacement in endoskarn in microdiorite. Altered intrusive rocks with >1% pyrite and trace to 0.5% (and locally greater) disseminated, fracture and veinlet-controlled chalcopyrite are also present and can be locally common throughout the South Pelumat Prospect.

Mapping also suggests that silicified and secondary biotite and magnetite (potassic) altered fine-grained microdiorite intrusive appears to host the bulk of the disseminated and veinlet-hosted mineralization identified throughout the prospect. Outcropping distribution of this fine-grained microdiorite unit is however poor.

Figure 2 and 3 illustrate the setting of the drill site at PMD001 and the commencement of the drilling.



Figure 2: General view to north from South Pelumat Project showing access track to drill site PMD001.



Figure 3: Commencement of drilling at site of PMD001

Examples of outcropping mineralisation found in outcrop are shown in Figures 4-6. The location of the first three proposed drill holes is shown in Figures 7-12 over geology and airborne magnetics overlain by Au, Cu and Mo geochemistry in rock or soil samples

Detailed logging and analytical sampling will be undertaken when each hole is completed and results will be reported when the analyses have been received and assessed.



PROSPERITY



Figure 4: Massive mineralised skarn and endoskarn near drill sites. Massive chalcopyrite and secondary chalcocite circled. The rock lacks pyrite.

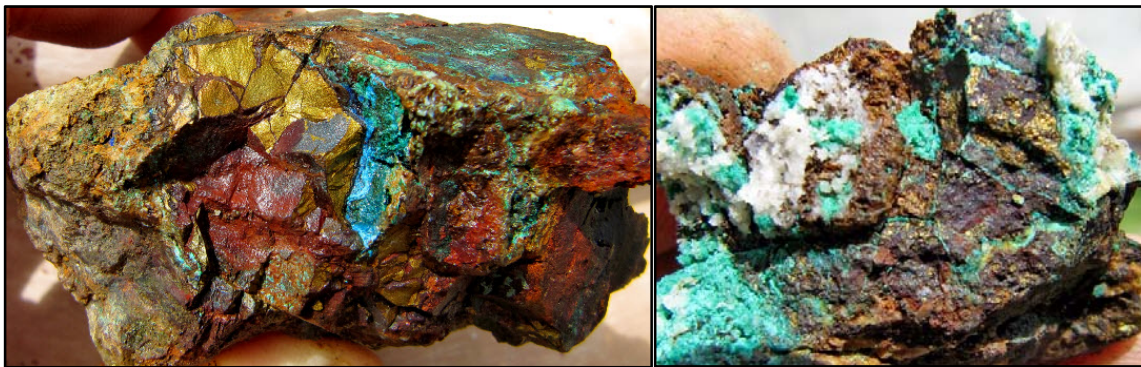


Figure 5: Massive chalcopyrite replacement in endoskarn in microdiorite (no pyrite).

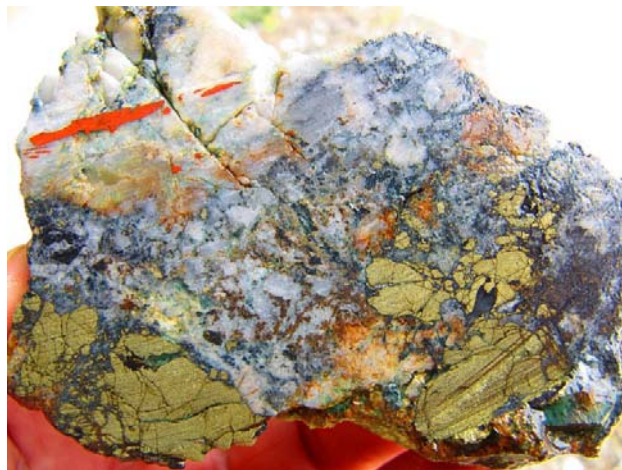


Figure 6: Massive chalcopyrite in siliceous skarn.



PROSPERITY

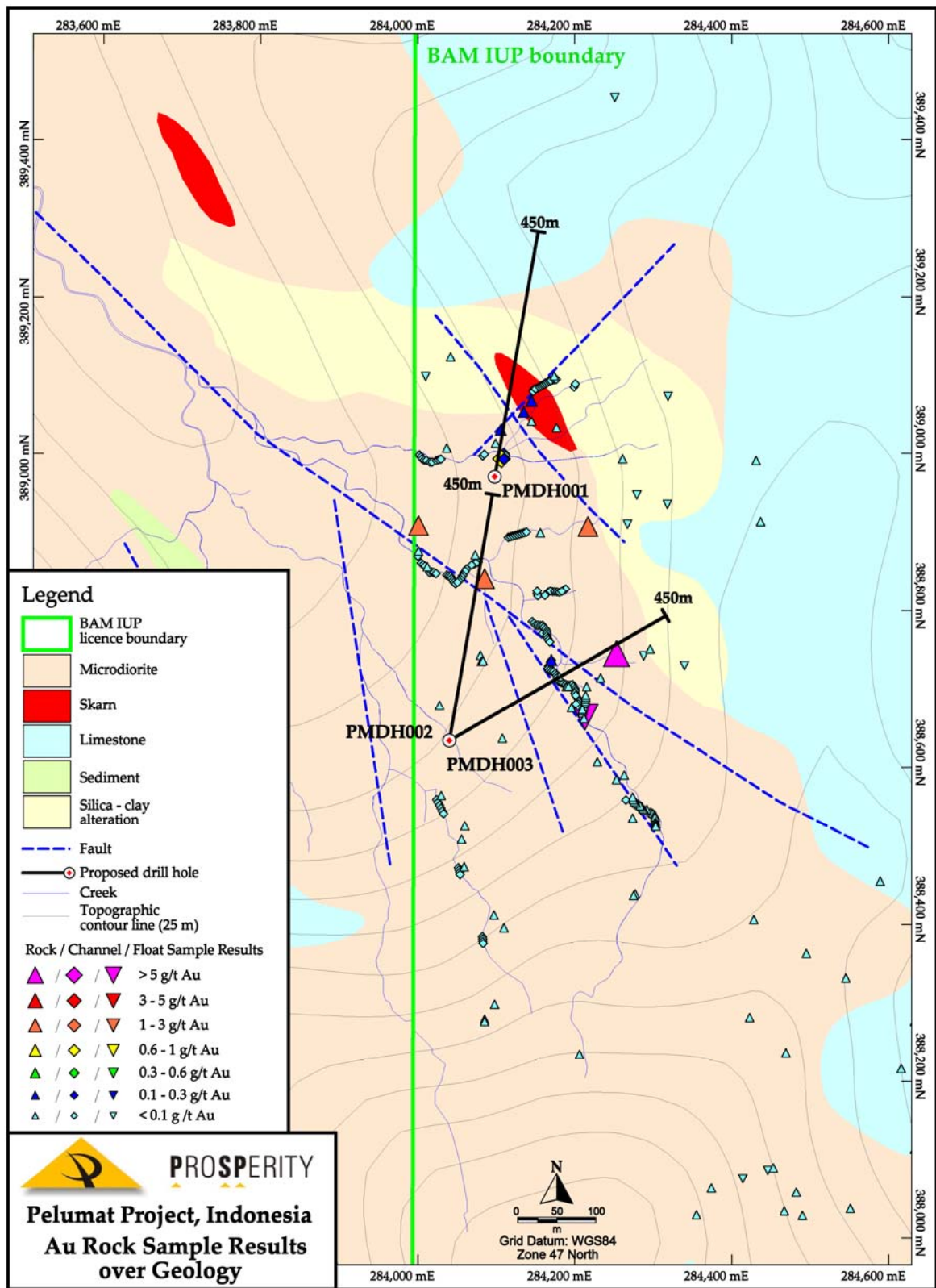


Figure 7: Summary geology with gold rock chip results. Proposed drill hole collar locations and traces indicated for first three holes.



PROSPERITY

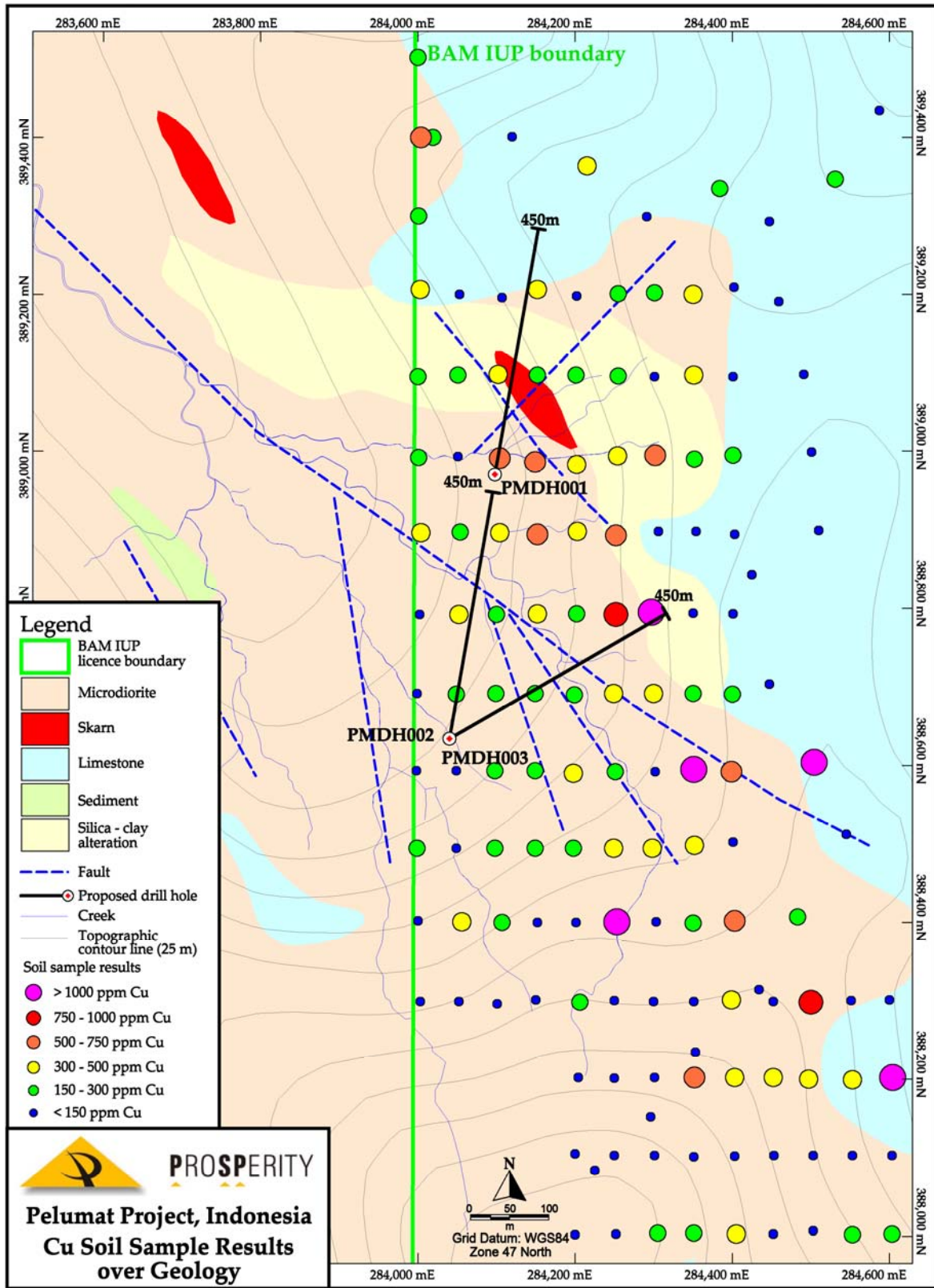


Figure 8: Summary geology with copper soil results. Proposed drill hole collar locations and traces indicated for first three holes.



PROSPERITY

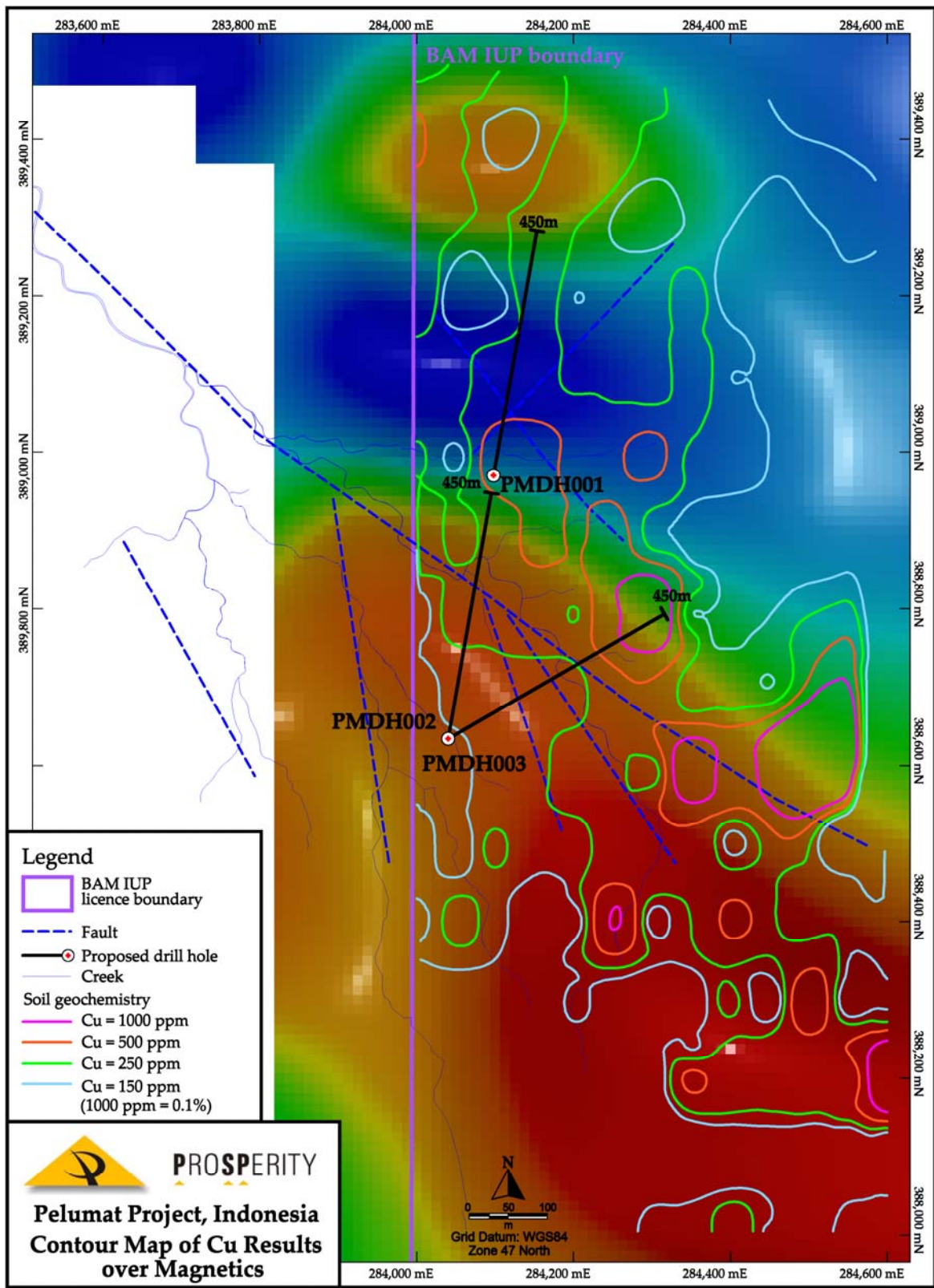


Figure 9: Airborne RTP magnetics with copper rock soil geochemistry contours. Proposed drill hole collar locations and traces indicated for first three holes.



PROSPERITY

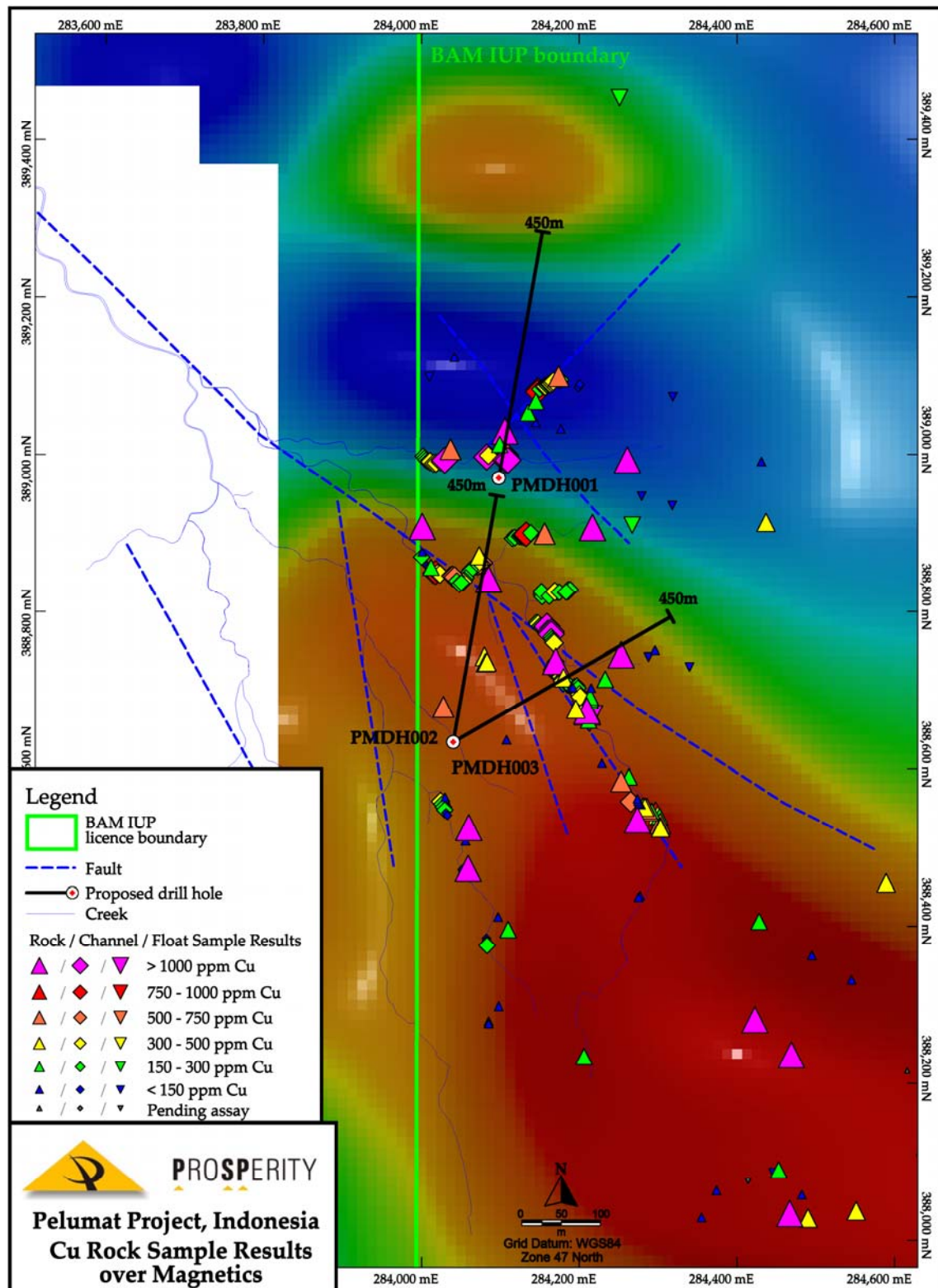


Figure 10: Airborne RTP magnetics with copper rock chip results. Proposed drill hole collar locations and traces indicated for first three holes.





PROSPERITY

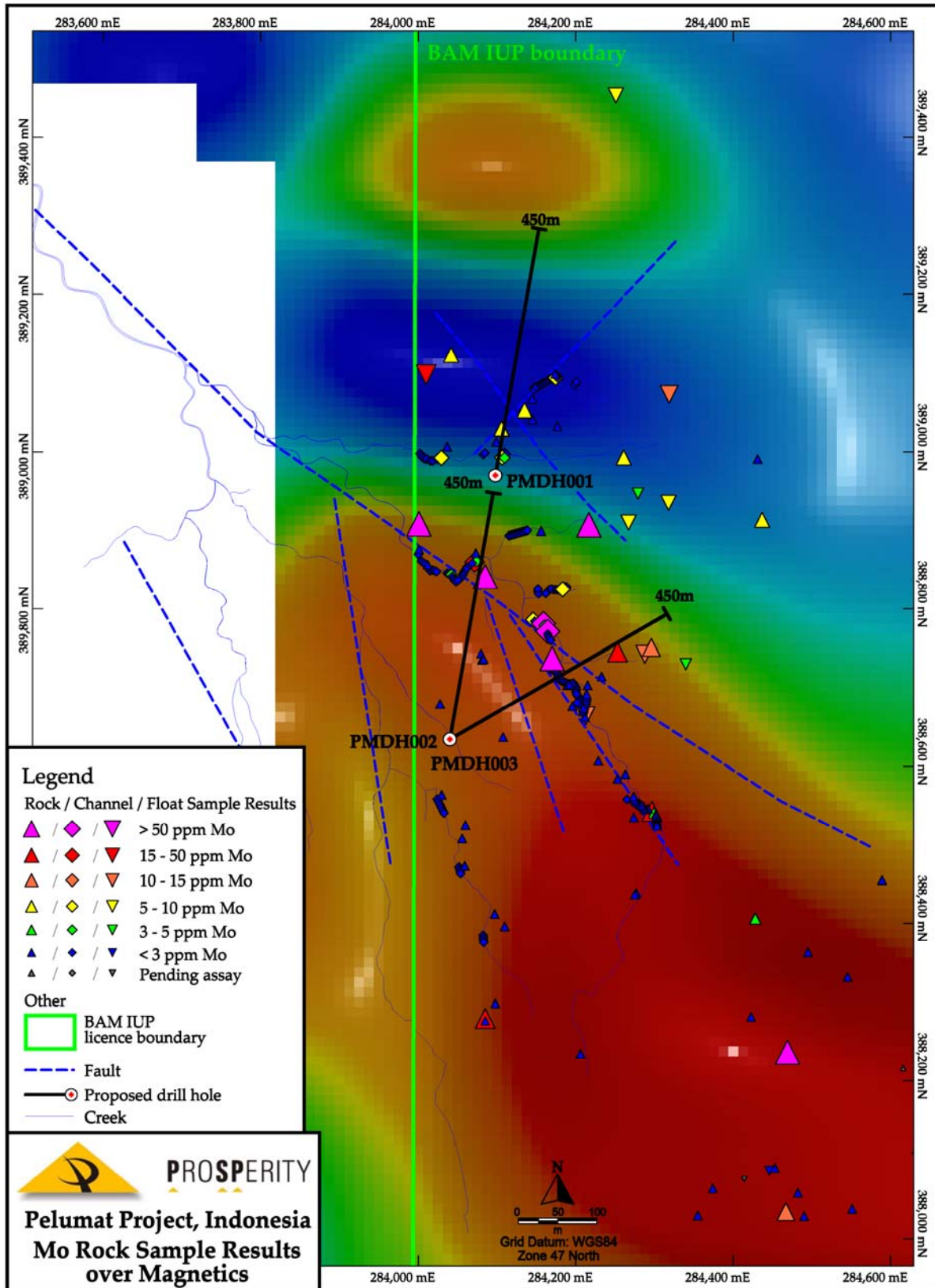


Figure 11: Airborne RTP magnetics with molybdenum rock chip results. Proposed drill hole collar locations and traces indicated for first three holes.



PROSPERITY

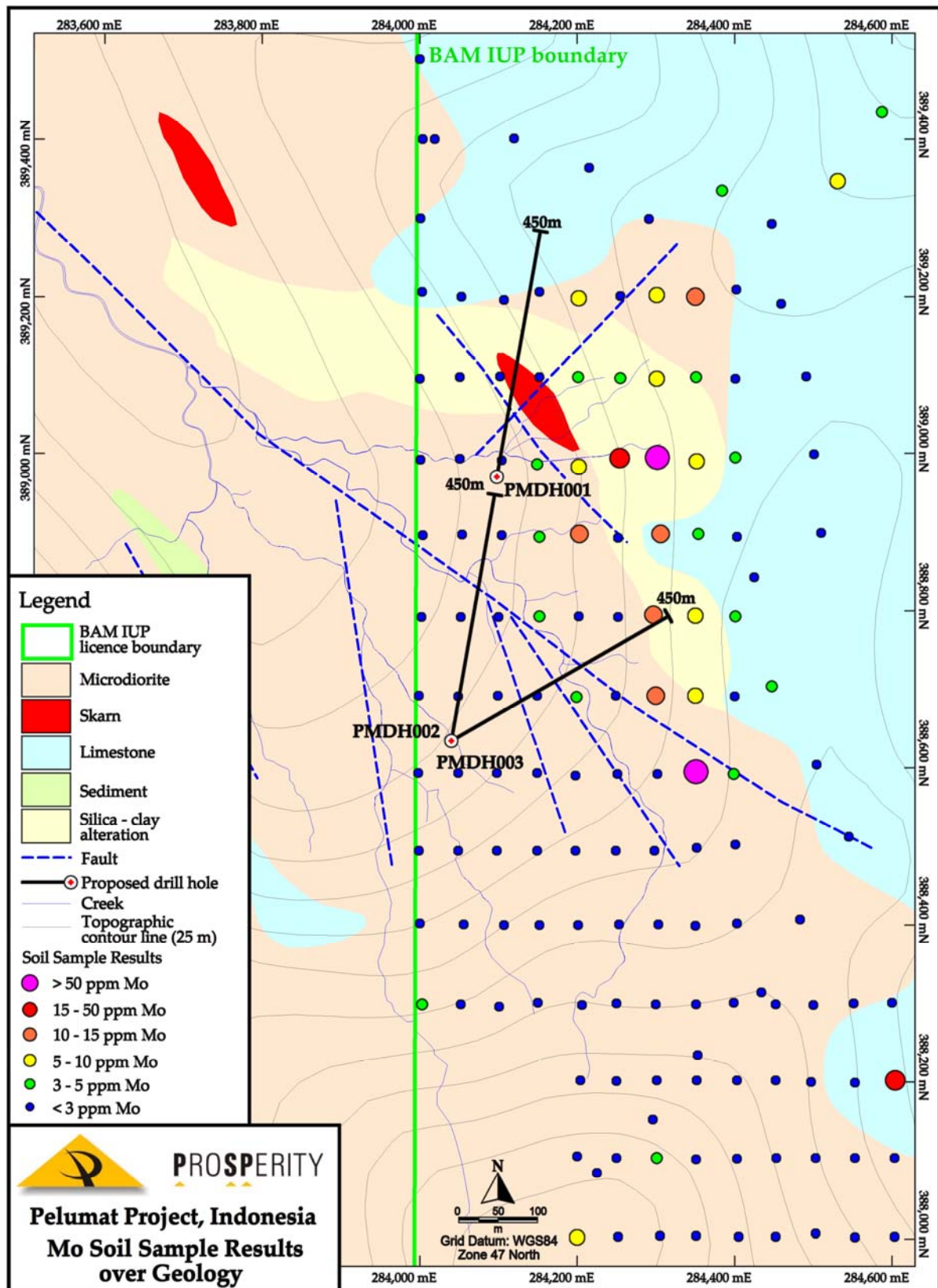


Figure 12: Summary geology with molybdenum soil results. Proposed drill hole collar locations and traces indicated for first three holes.



PROSPERITY

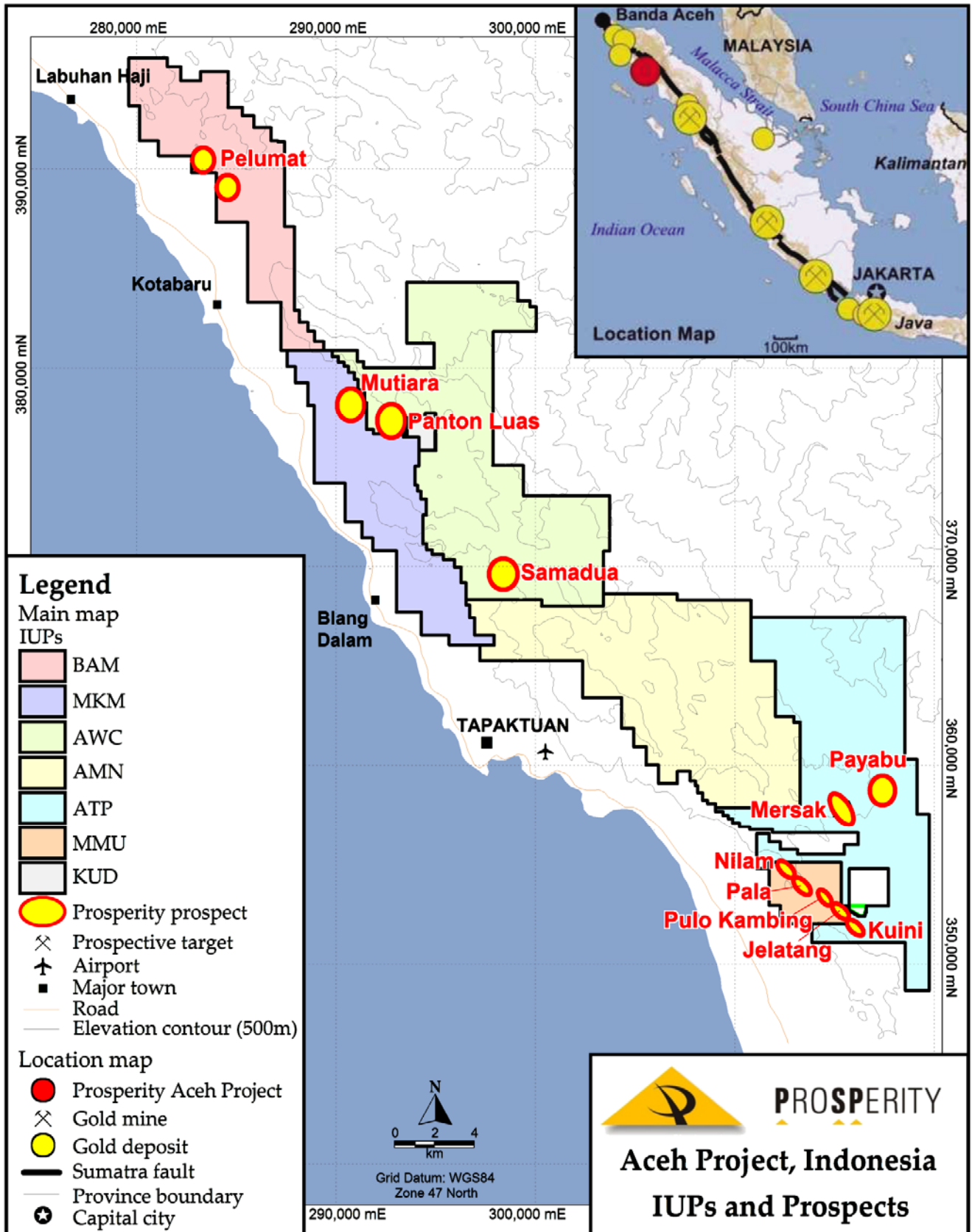


Figure 13: Location of Prosperity Licences (IUPs) and joint venture areas with assessed project target zones.



**PROSPERITY**

*Grid Coordinates on all figures WGS84 Zone 47 North*

*Analyses will be undertaken undertaken by Intertek, Jakarta using 50g fire assay for Au (Method FA50, Aqua regia finish); low base metals by ICP-OES (Method IC01); high base metals (>1%, Method GA50).*

For further information please contact:

**Mo Munshi**

**Chairman/Managing Director**

**(M) +86 139 1017 5192**

**(M) +61 414 549 329**

#### **Competent Person Statement**

The exploration activities and results contained in this report have been reviewed by Dr. Neil F. Rutherford. Dr Rutherford is a Fellow of the Australian Institute of Geoscientists and is a full time employee of Rutherford Mineral Resource Consultants, mineral industry consultants. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

This review and comments by Dr Rutherford incorporated in the release text are based upon field inspection of the Aceh Project areas and drilling during period 2010 to 2012 along with input from his associates who have worked on the property. All of the significant information reported herein was available to Dr Rutherford and was reviewed for this release. Dr. Neil Rutherford has consented to the inclusion in this report of the matters based on this information in the form and context in which it appears.