



27 February 2012

SAMADUA PROJECT: NEW DISCOVERY WITH HIGH GOLD AND COPPER RESULTS FROM ROCK CHIP AND SOIL SAMPLING.

Highlights:

- Prosperity has completed field exploration and data compilation on the Samadua Project, the seventh gold-copper anomalous magnetic target defined in IUP held by PT. Aspirasi Widya Chandra (AWC), part of its Aceh portfolio in Northern Sumatra, Indonesia.
- Significant gold and copper grades have been returned from rock chip, float, channel and soil sampling. The area (500 x 350 metres) and level of anomalism is comparable to that determined for the Kuini and Pelumat Projects.
- High metal values are associated with a zone of magnetic anomalism related to magnetite alteration in sheared microdiorite.
- Significant highly anomalous rock chip, float and soil results include:
Rock samples: 25.7g/t Au, 3.2g/t Ag;
16.2g/t Au, 97.6g/t Ag, 23.2% Cu, 4340 ppm Mo;
8.27g/t Au, 2.9g/t Ag, 0.75% Cu, 82 ppm Mo;
4.28g/t Au, 5.1g/t Ag, 0.85% Cu, 444 ppm Bi;
Soil samples: 5.55g/t Au, 1.1g/t Ag, 51 ppm Cu, 96 ppm Mo;
4.46g/t Au, 1.1g/t Ag, 637 ppm Cu, 36 ppm Mo;
0.95g/t Au, 0.4g/t Ag, 4310 ppm Cu, 702 ppm Mo;
0.84g/t Au, 1540 ppm Cu, 5 ppm Mo;
- Four anomalies have been selected and will be tested in an initial 4-6 drill hole program.

Prosperity Resources Limited (ASX: PSP) is pleased to release results from geological mapping and geochemical sampling from its 2011-2012 sampling program at the Samadua Project in southern Aceh. The program was similar to that undertaken at the Pala, Jelatang, Panton Luas, Mutiara, Pelumat and Kuini targets in follow up of its successful regional helicopter-borne magnetic survey.

ASX: PSP

SHARE INFORMATION

Issued Shares: 346.54m

Unlisted Options: 20.95m

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KEY PROJECTS

ACEH

Ownership: earning 73%

Location: Aceh, Indonesia

TENNANT CREEK

Ownership: 100%

Location: NT, Australia

Information from the aeromagnetic program was released to the ASX on 15 September 2010 and examples of 3D inversion modelling of the magnetic data on 22 February 2011. ASX releases of 2nd and 6th February 2012 give results from drilling at Kuini.

The Samadua Project 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 18.

Chairman Mr. Mo Munshi said, "These new very encouraging geochemical results from Samadua yet again provide us with encouragement to continue our first pass exploration program in this poorly explored region of the Indonesian Volcanic Arc and further demonstrate the regional prospectivity of our portfolio in Aceh".

Geology, Geochemistry and Site Setting

The systematic grid based mapping and rock chip and channel and soil sampling over the southern Samadua area reported here follows from earlier reconnaissance rock chip prospecting in the wider Samadua area in 2009 (eg 25m @ 0.53g/t Au and 0.13% Cu, and others) and an anomalous soil line taken along the main Samadua ridge in 2010 which produced gold and copper results up to 0.73 g/t Au and 0.31% Cu (peak assays) coincident with a lower order aeromagnetic anomaly and a few small prospecting pits dug by local villagers.

The recently completed more detailed geochemical survey returned anomalous and locally highly anomalous gold and copper results at numerous sites over the southern anomaly and a low between this and the northern anomaly area. Copper in rock samples greater than 250ppm (i.e. > background) was very common, with some sites having results >500ppm, and locally >1000 ppm. Molybdenum is notably anomalous in a limited number of samples. Results are shown in Figures 6- 13.

The Samadua aeromagnetic anomalies are shown in Figure 1 with the geochemical target as determined boxed in yellow.

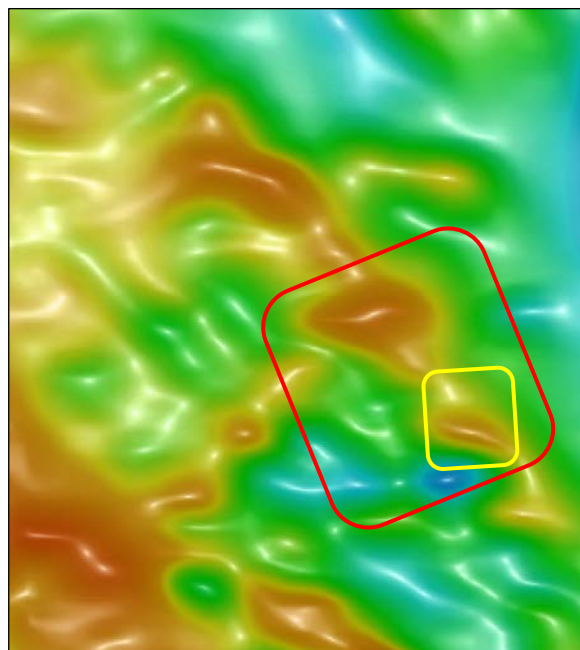


Figure 1: View of Samadua RTP TMI airborne magnetic anomalies with target anomaly boxed in yellow. Red box is wider Samadua area noted in text above.

Follow-up mapping undertaken in late 2011 and 2012 along with the grid-based soil sampling indicate that the six most anomalous sample points coincide with a 275 metre long section of the main ridge. All the anomalous samples correspond to the highest airborne magnetic response coincident with zones of strong secondary magnetite hosted in intrusive microdiorite the preferred host to mineralisation in the Tapaktuan Belt in southern Aceh. (See Tables at end of release for results).

Traversing of creeks and ridges identified significant zones of silicification and secondary magnetite, chlorite, sericite and epidote alteration. Numerous spaced-out intervals of shear-hosted intense silicification locally with semi-massive magnetite alteration or magnetite \pm sulphide \pm silica veinlet and fracture fill (with malachite staining as shown in Figure 2) have been identified throughout the prospect. An example of small scale local gold working is shown in Figure 4. A summary geology map is shown in Figure 5.

One 0.5 metre wide shear zone within a small mine working contained a sub-vertical massive silica-magnetite-chalcopyrite (-secondary chalcocite-covellite) vein several centimetres wide. These spaced-out domains of deformed microdiorite intrusive are quite widespread throughout the prospect and are typically surrounded by pervasively silicified and secondary magnetite altered coherent microdiorite.



Figure 2: Malachite staining on microdiorite derived from magnetite \pm sulphide \pm silica veinlet fracture fill.

A 500 metre long x 350 metre wide portion of the Samadua Prospect, centred on the main ridge has been sampled to date, for a total of 116 composite soil samples (Figures 6 to 13). Work is ongoing and additional composite channel samples are being collected. Tables at end of release give details and locations of the most anomalous samples collected. Each soil sample was made by compositing auger samples taken from three sites disposed 12.5 metres apart along the traverse line with results plotted at the central point of the three samples. The grid soil results shown in the figures thus show each single composited soil sample result plotted at 50 metre intervals. This method improves the resolution of the sampling of alteration and mineralisation developed in spaced-out zones related to fractures and shears.

The work program to date has generated some potential drill targets and tentative traverses, collar sites and sections for these are shown in Figures 14 to 17. An existing road at the base of slope on the south side, or stream running along the south-eastern edge, of the main Samadua Ridge, located 300 metres vertically below the ridge-top, represent likely locations for the initial holes.



Figure 3: (Left) Example of fine green disseminated malachite after chalcopyrite in weathered sheared and altered microdiorite. Similar material probably gives rise to the widespread elevated copper background anomalism.

The distribution of gold in rock samples is shown over geology in Figure 6 and in soil samples over magnetics in Figure 7; contoured gold is shown in Figure 8. Figure 9 shows distribution of copper in rock samples over geology and in soil samples over magnetics in Figure 10, with contoured copper values in Figure 11. Distribution of molybdenum in rock and soil samples over geology is shown Figures 12 and 13.

Table 1 and 2 at the end of the release show the rock chip and soil data from Samadua sorted on gold values with the forty highest gold values shown with associated elements to illustrate the nature and geochemical characteristics of the anomalism.



Figure 4: Small artisanal gold workings into mineralised shears in altered microdiorite at Samadua.



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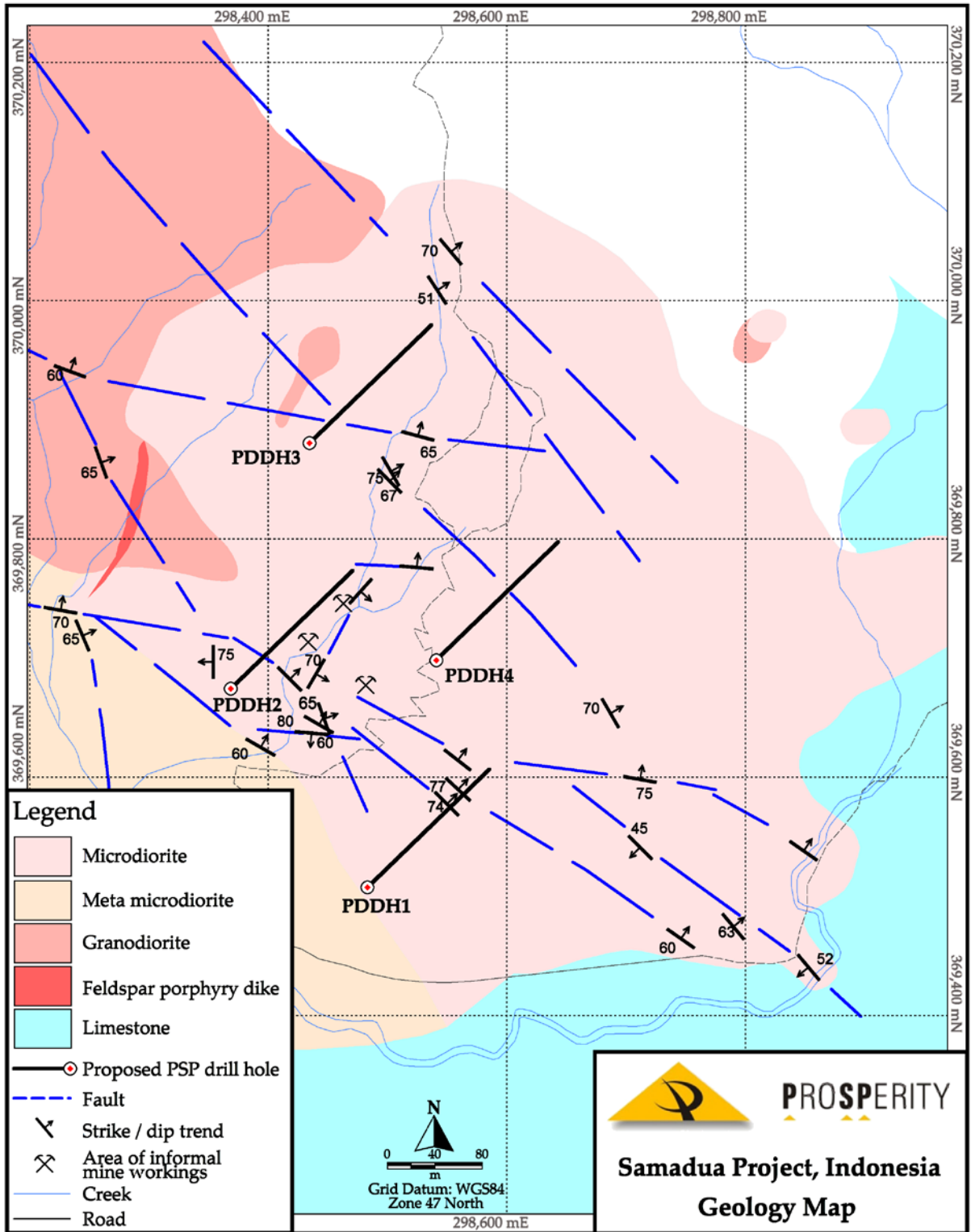


Figure 5: Summary geology with proposed drill hole collar locations and traces indicated.



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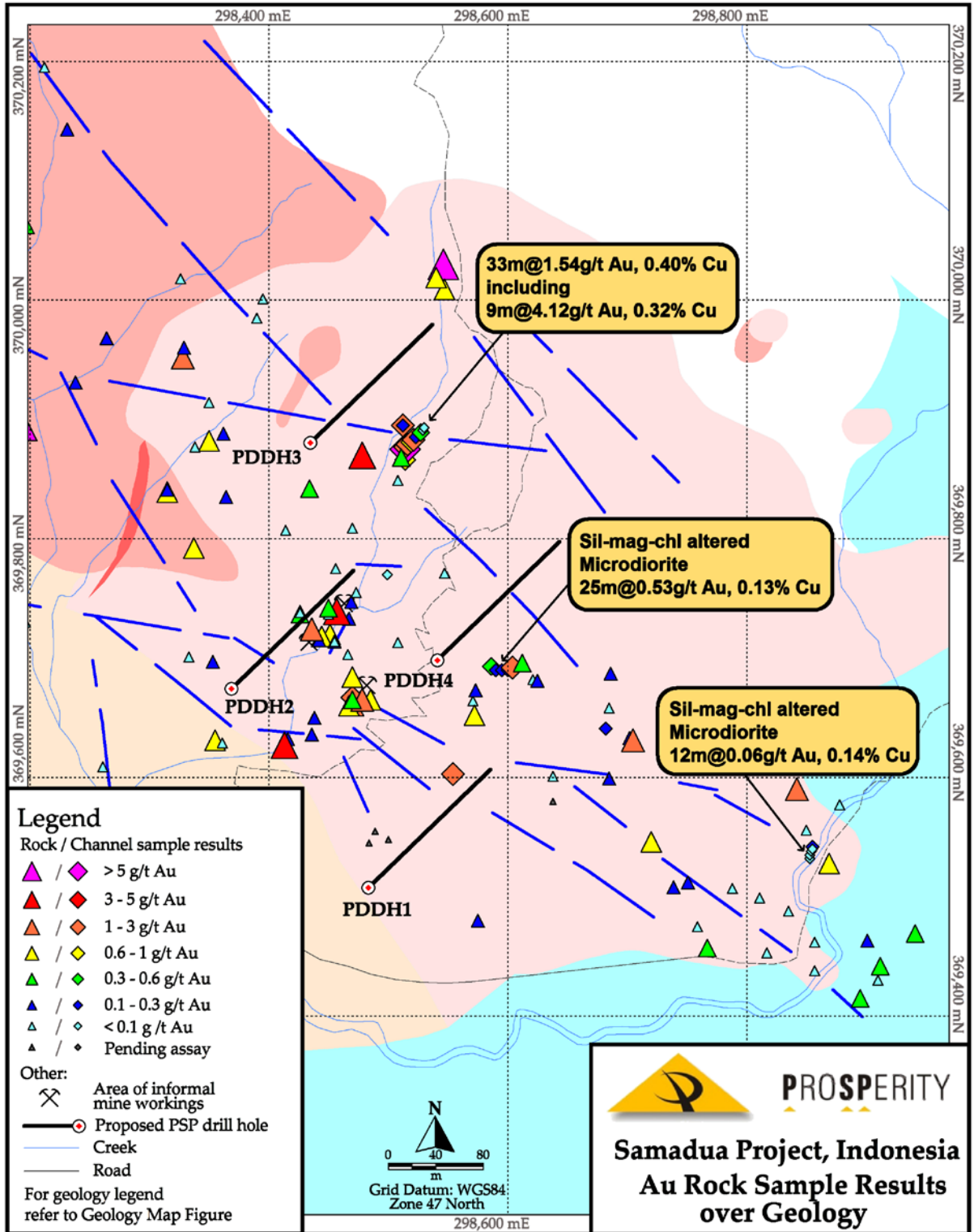


Figure 6: Gold rock sample results over summary geology. Proposed drill hole collar locations and traces indicated.



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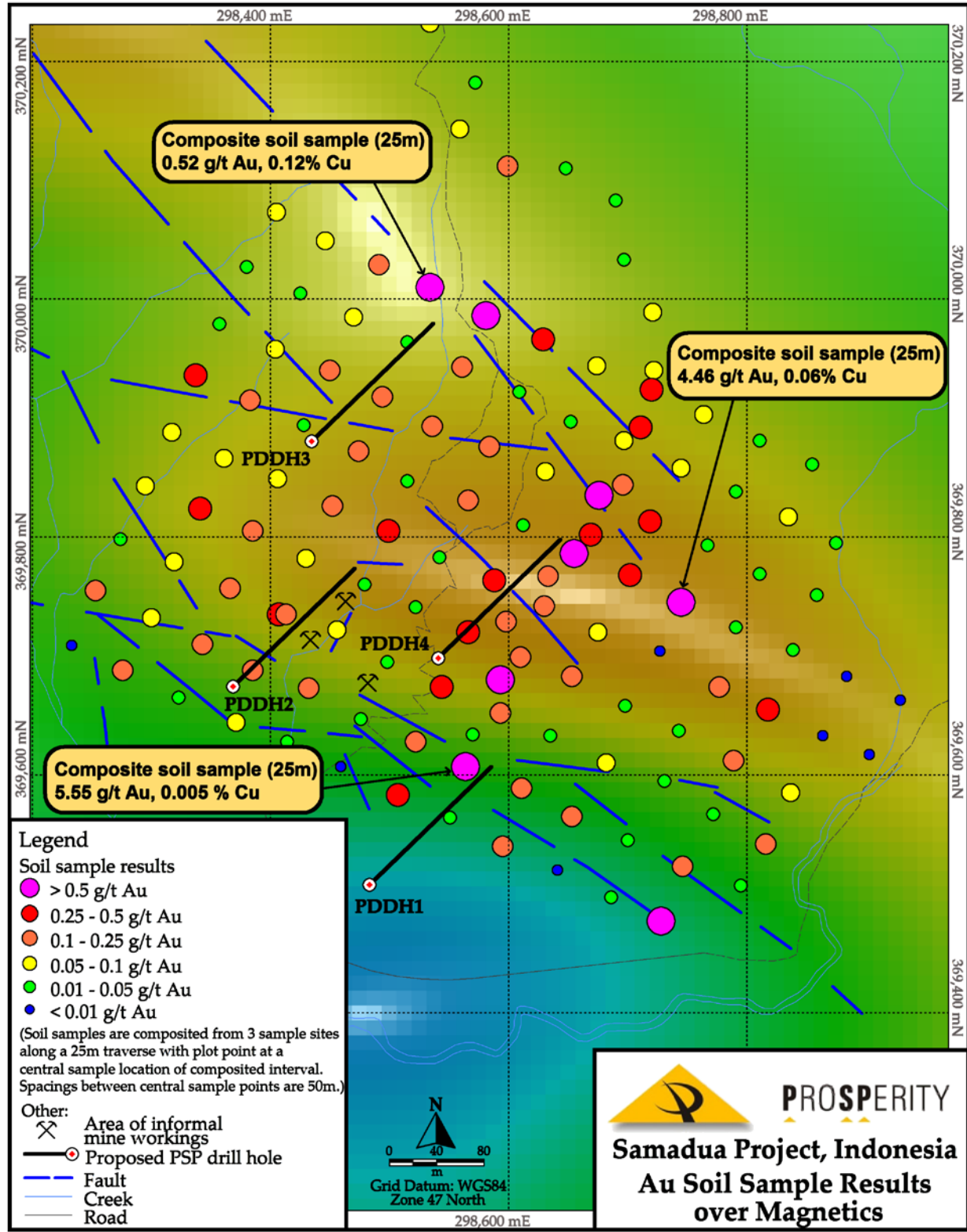


Figure 7: Gold soil results over RTP TMI magnetic image. Proposed drill hole collar locations and traces indicated.



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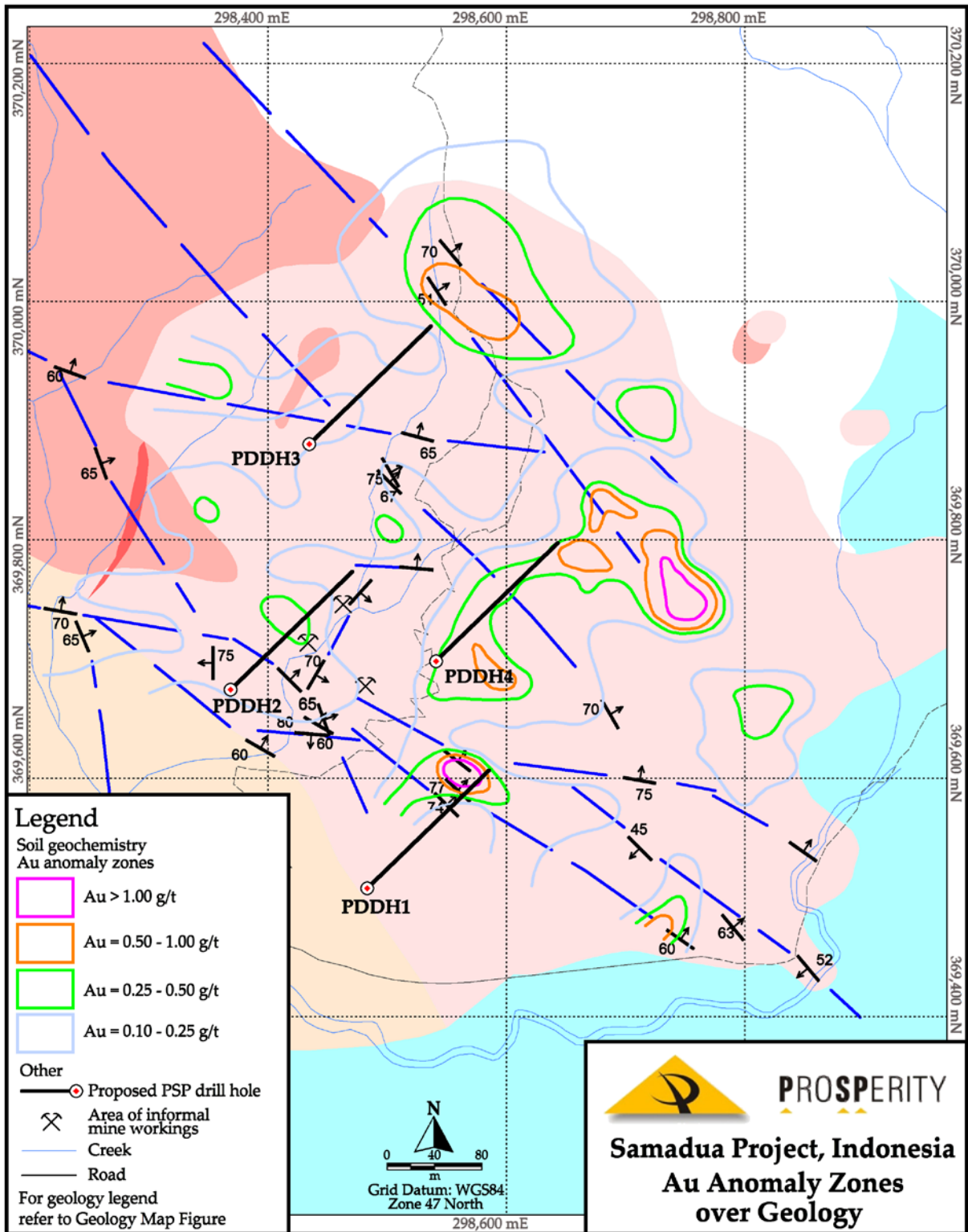


Figure 8: Contoured gold in soil anomaly zones over summary geology. Proposed drill hole collar locations and traces indicated.



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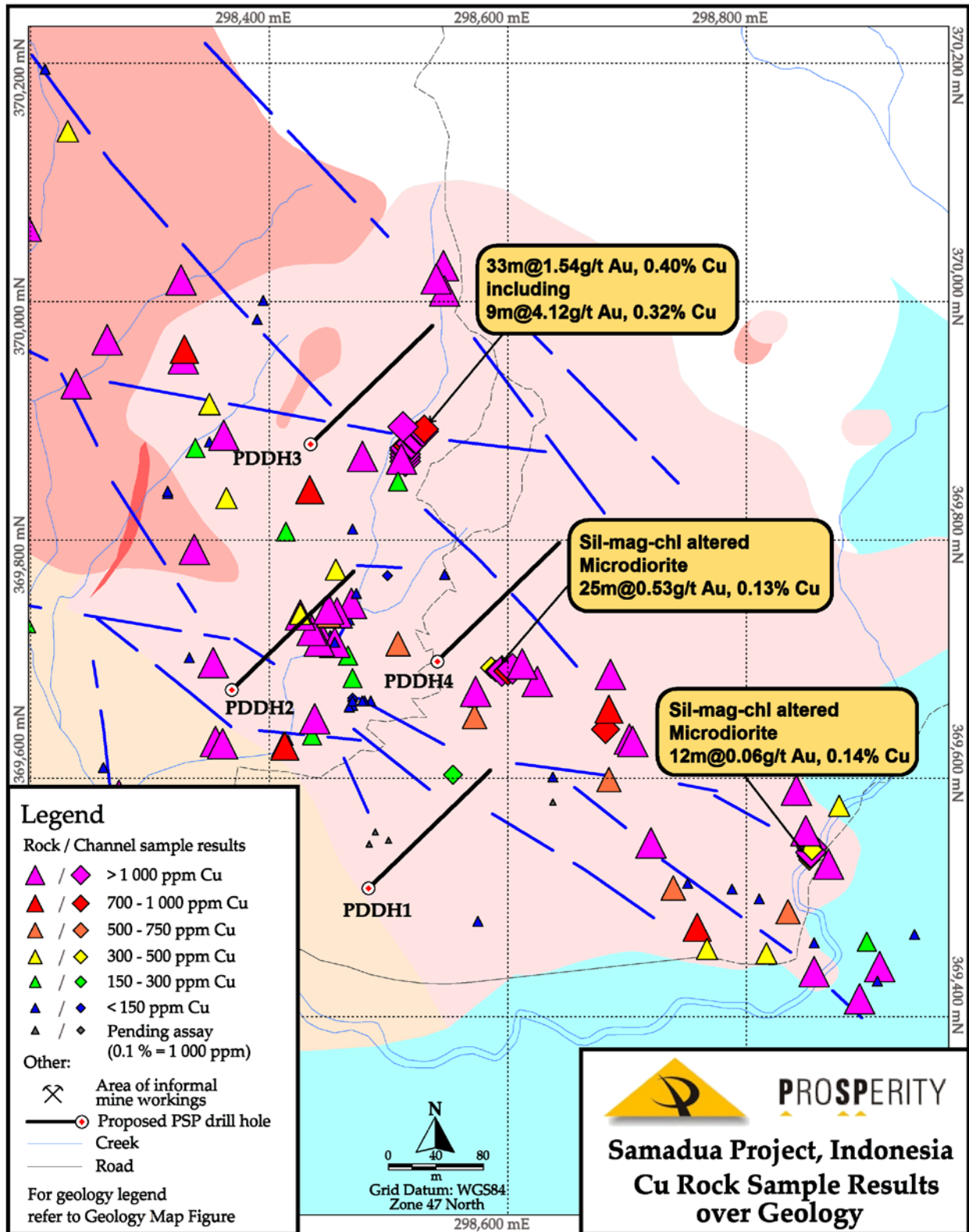


Figure 9: Copper rock chip results over summary geology. Proposed drill hole collar locations and traces shown.



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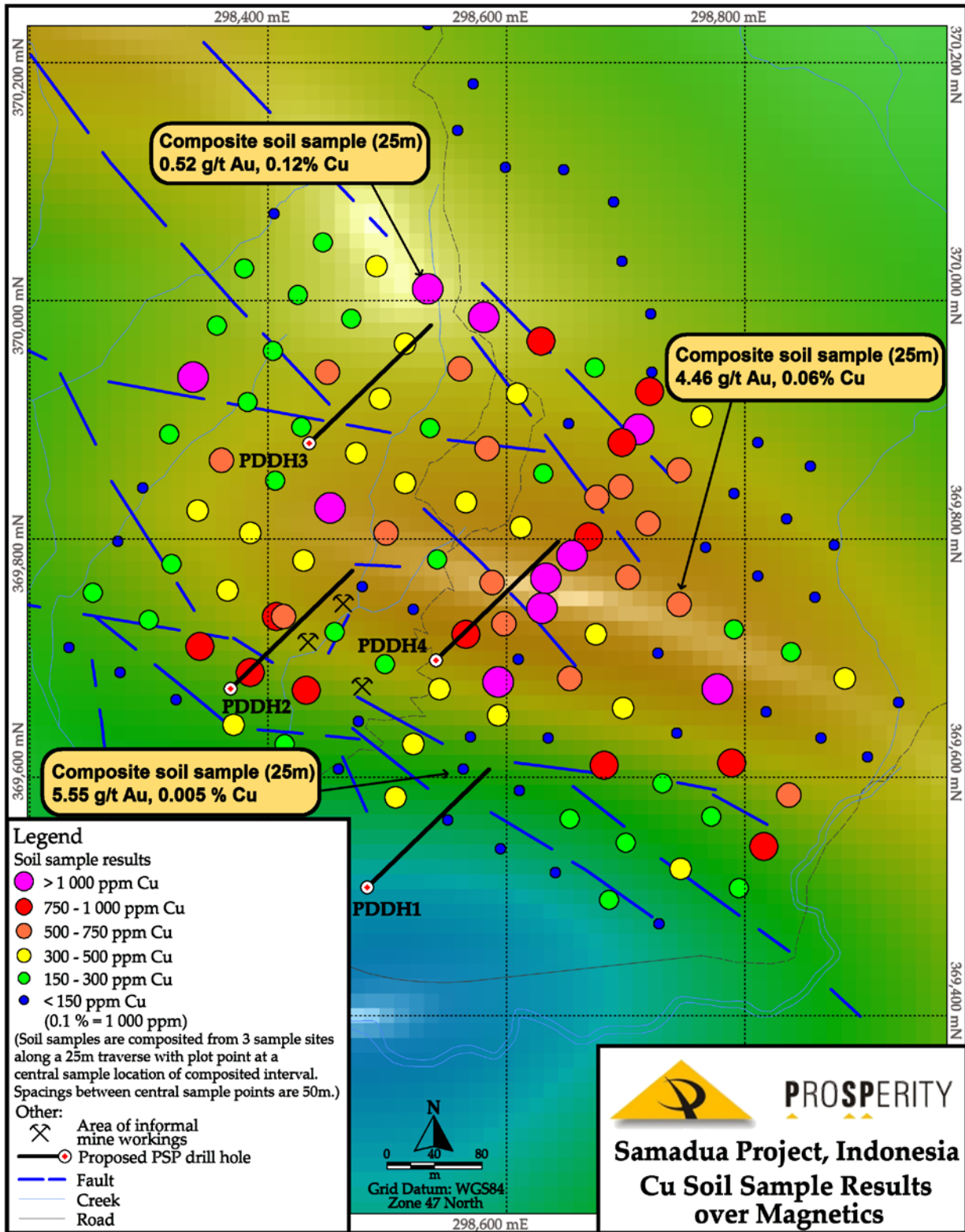


Figure 10: Copper soil samples over RTP TMI magnetic image. Proposed drill hole collar locations and traces.



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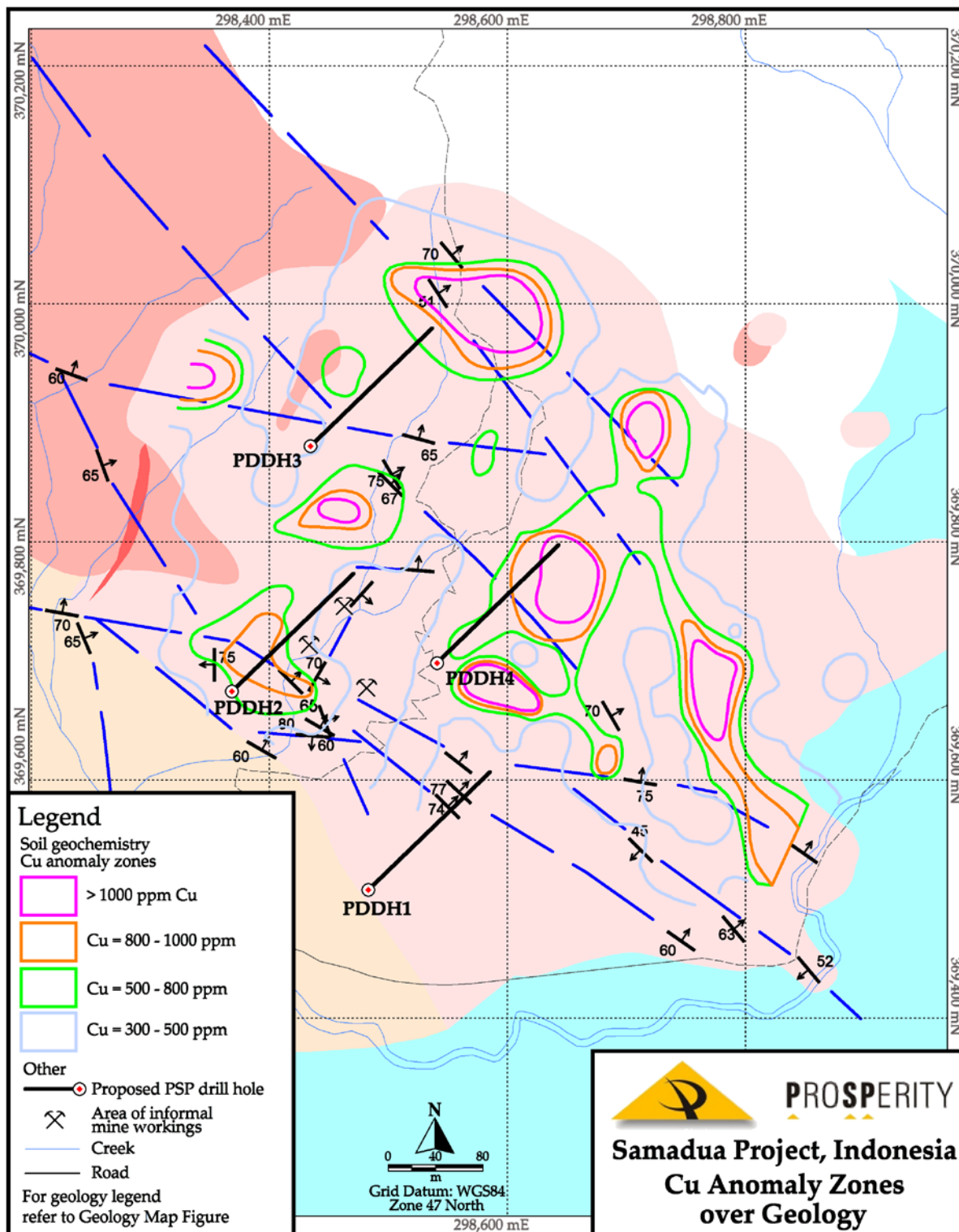


Figure 11: Contoured copper in soil anomaly zones over summary geology. Proposed drill hole collar locations and traces indicated.



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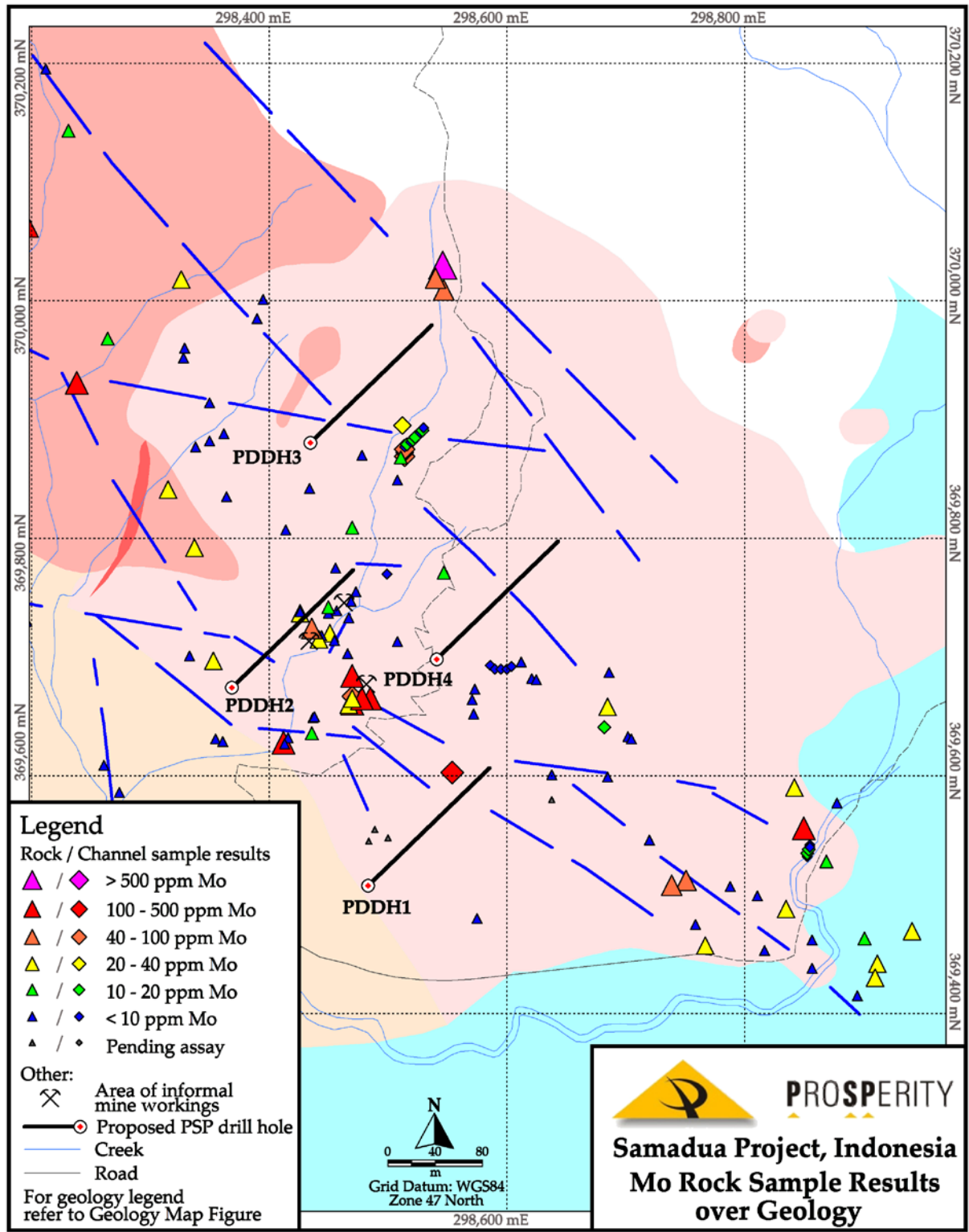


Figure 12: Molybdenum rock chip results over summary geology. Proposed drill hole collar locations and traces indicated.



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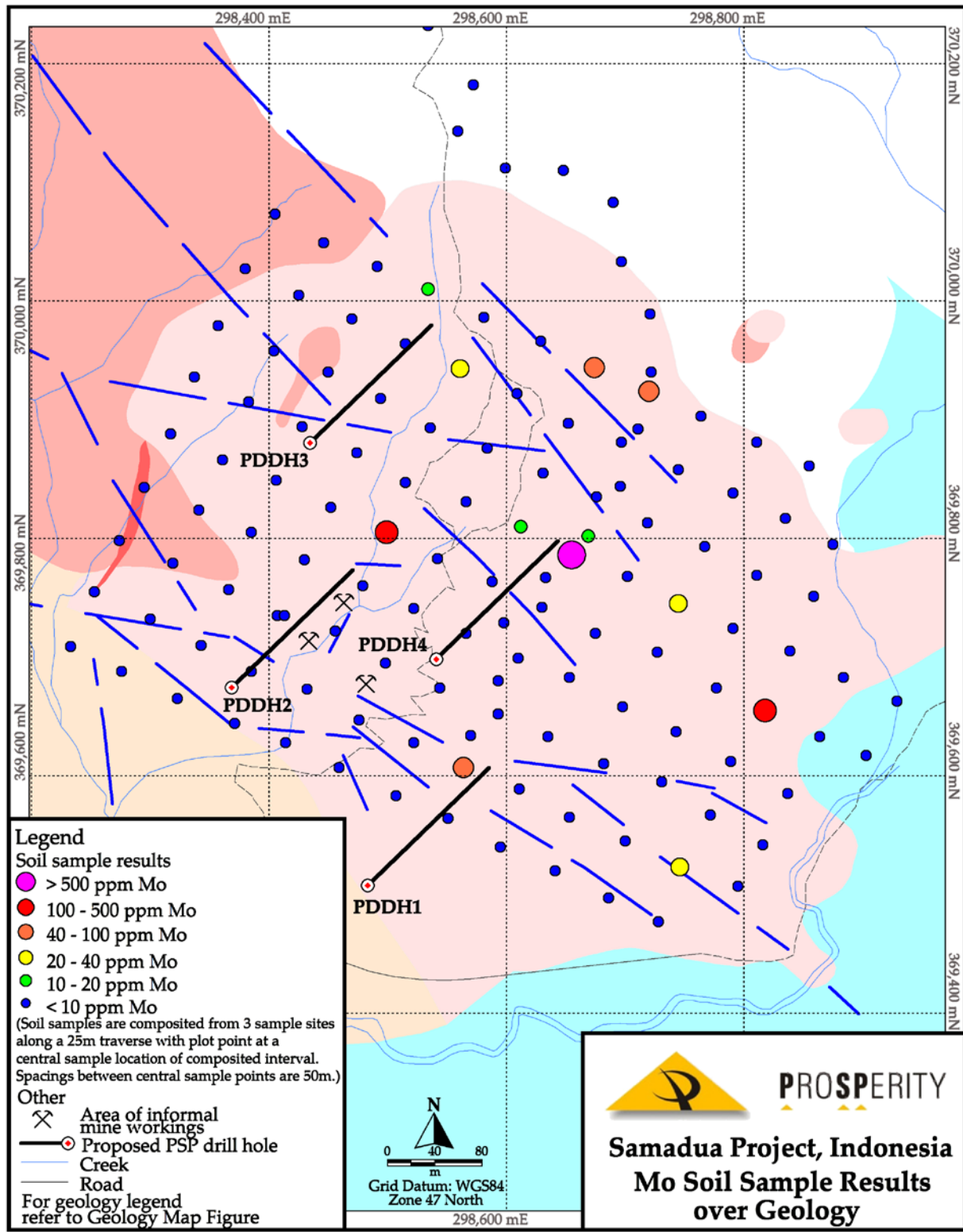


Figure 13: Molybdenum soil samples over geology. Proposed drill hole collar locations and traces indicated.

Drilling Program

The tentative proposed drilling program is designed to test the geochemistry, various alteration zones and geology at depth associated with the magnetic anomaly. The final hole collar locations shown on the figures may be changed based on results from ongoing mapping and sampling. Cross sections of the holes and their relation to surface geochemistry are shown on Figures 14-17 below. Hole depths may extend to 300 metres or more in this initial program depending upon characteristics of alteration and mineralisation intersected.

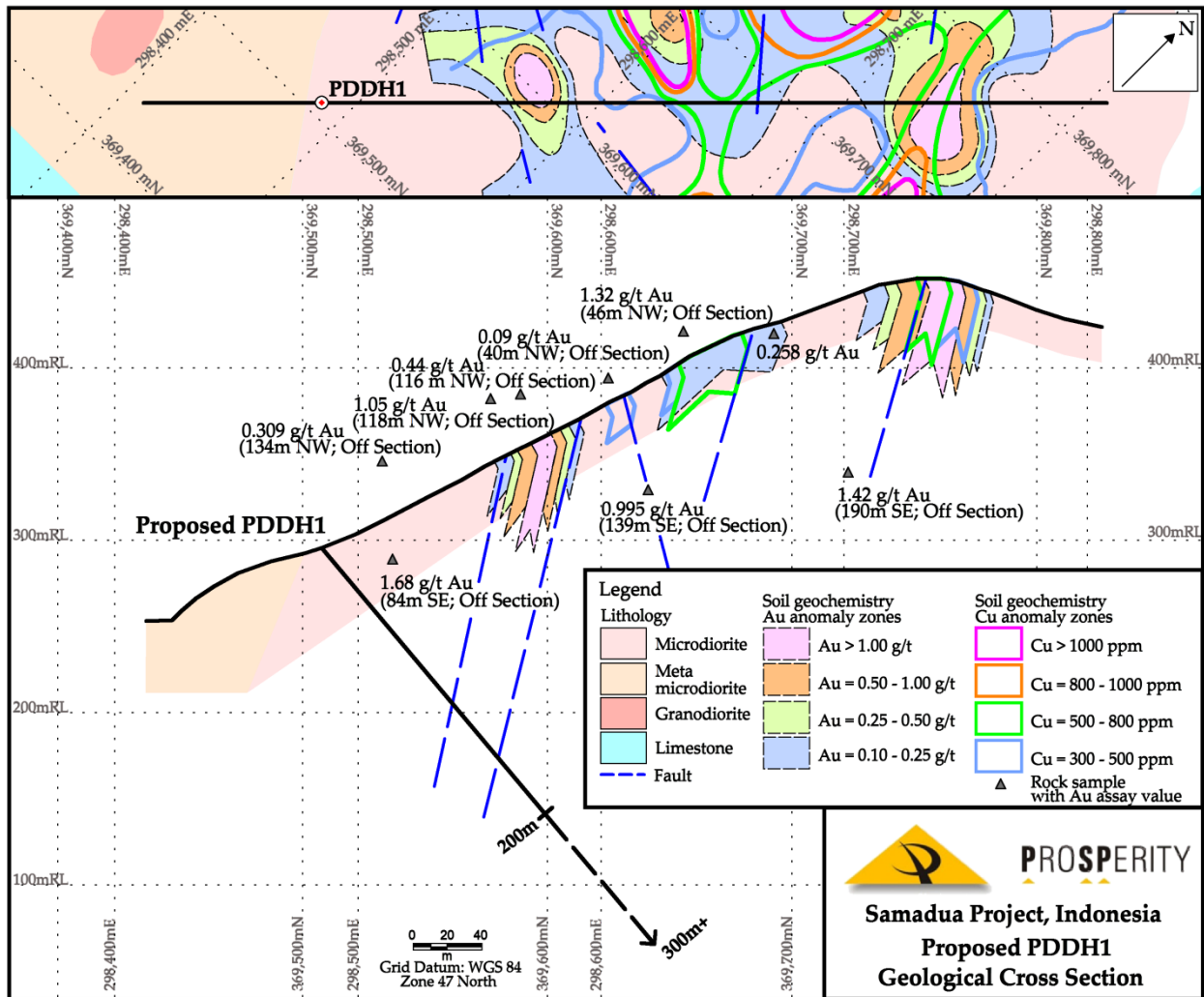


Figure 14: Plan and section of proposed drill hole PDDH1 at Samadua prospect showing relationship of geology and soil and rock chip geochemistry.

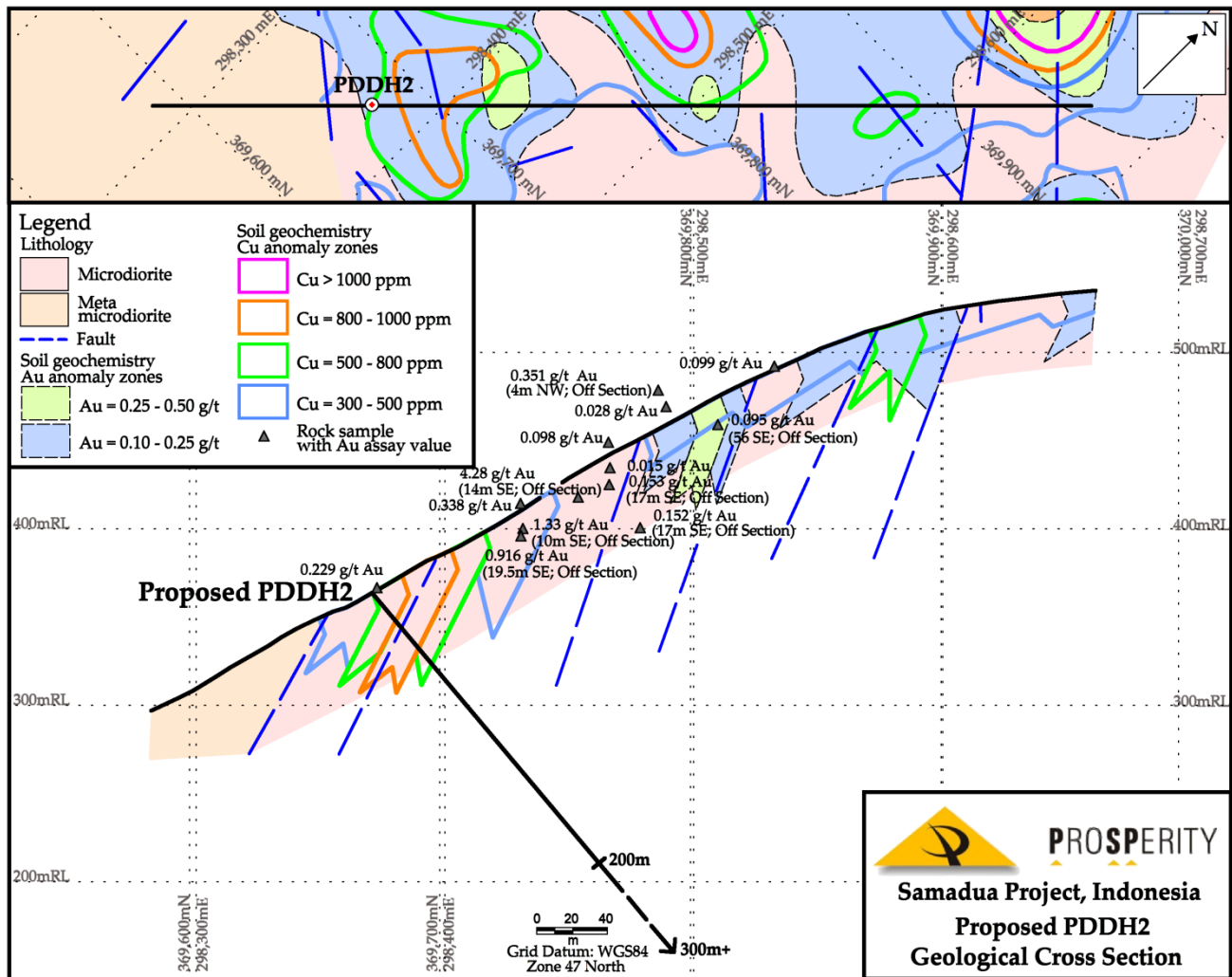


Figure 15: Plan and section of proposed drill hole PDDH2 at Samadua prospect showing relationship of geology and soil and rock chip geochemistry.

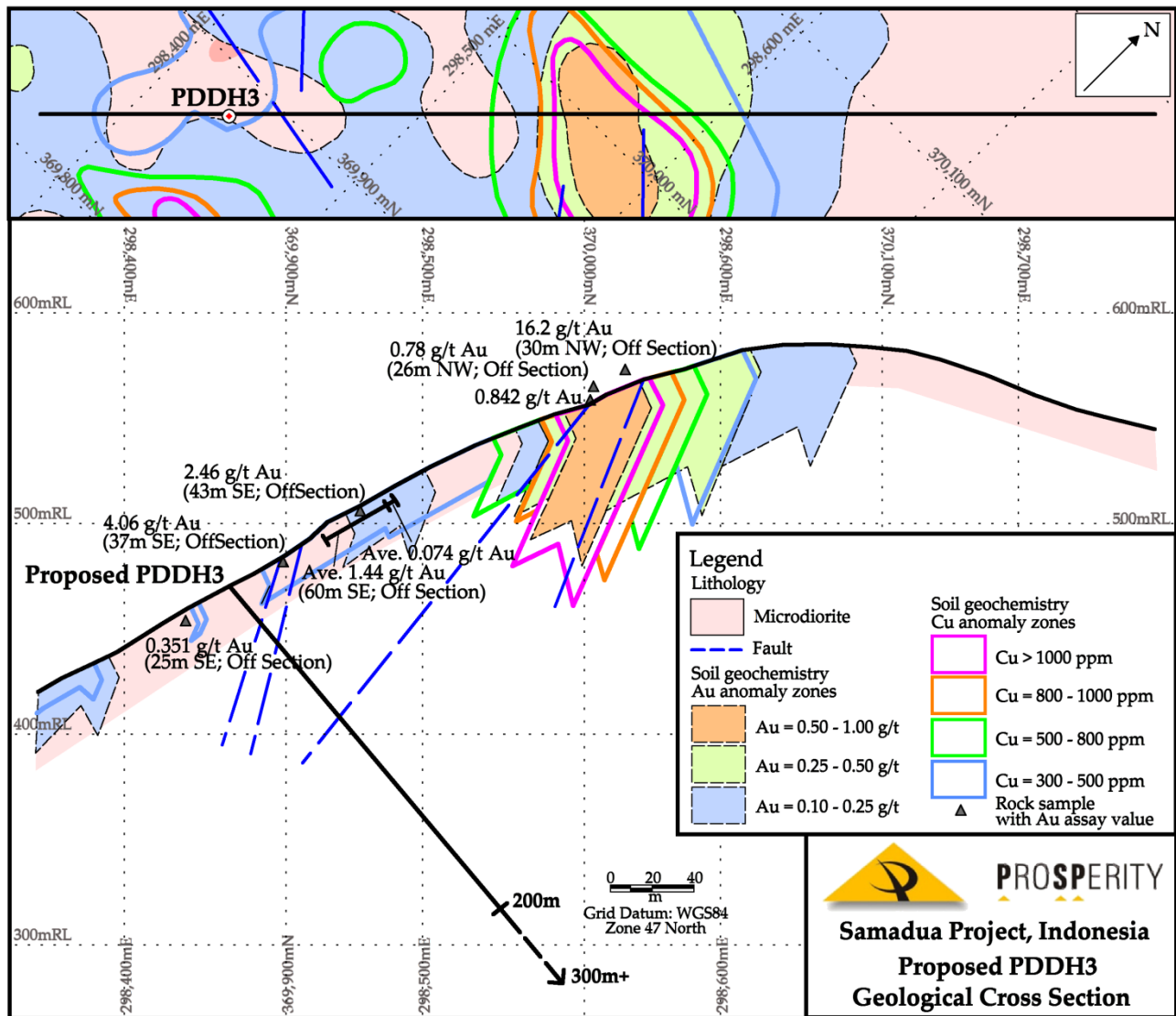


Figure 16: Plan and section of proposed drill hole PDDH3 at Samadua prospect showing relationship of geology and soil and rock chip geochemistry.



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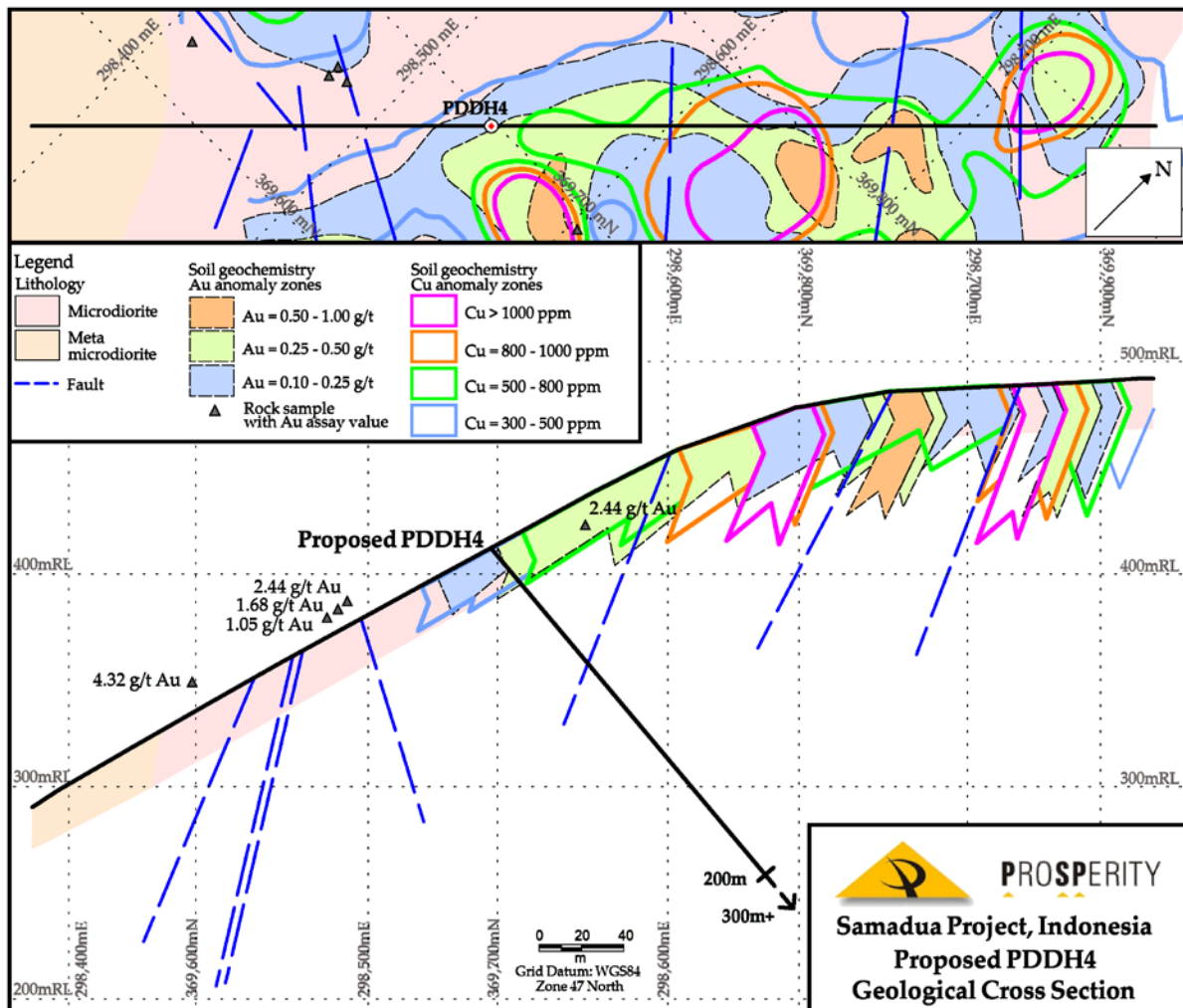


Figure 17: Plan and section of proposed drill hole PDDH4 at Samadua prospect showing relationship of geology and soil and rock chip geochemistry.

A second stage drilling program will be designed based on prospectivity determined in the initial four holes and on results from additional field work in the wider area.

Table 1: Samadua rock chip samples sorted on gold values. Forty highest gold bearing samples shown with associated elements. The highest gold values are samples of chalcopyrite-rich skarn associated mineralisation.

Samadua Prospect AWC IUP Aceh, Indonesia - Rock Samples WGS84 Zone 47 North													
Prospect	Sample ID	Tenement	Easting	Northing	Altitude	Au1 (g/t)	Au2 (g/t)	Ag ppm	As (ppm)	Bi (ppm)	Cu (ppm)	Fe (%)	Mo (ppm)
Samadua	RD4619	AWC	298193	369895	396	25.7	25.8	3.2	2	0	5	2.69	0
Samadua	RD03147	AWC	298546	370030	593	16.2	13.1	97.6	5	49	232000	7.74	4340
Samadua	RD00526	AWC	298514	369875	495	8.27	7.63	2.9	6	0	7520	13.7	82
Samadua	RD4437	AWC	298413	369627	351	4.32	4.24	1	10	0	819	4.7	3
Samadua	RD4236	AWC	298457	369739	419	4.28	4.28	5.1	19	444	8540	5.3	2
Samadua	RD4632	AWC	298478	369870	498	4.06	4.33	4.2	12	134	1580	5	4
Samadua	RD00528	AWC	298516	369879	497	2.59	0	1.8	3	11	881	8.3	17
Samadua	RD4450	AWC	298328	369952	481	2.49	2.5	1.2	3	0	2050	33.7	4
Samadua	RD3628	AWC	298512	369895	494	2.46	1.96	1	4	3	2390	6.5	21
Samadua	RD2520	AWC	298478	369665	389	2.44	2.49	0.6	83	53	24	>10	157
Samadua	RD3613	AWC	297853	369341	164	2.24	2.5	1.1	20	34	2190	8.76	1740
Samadua	RD2275	AWC	298554	369603	370	2.08	0	1	139	0	157	24.9	167
Samadua	RD4502	AWC	299549	370501	659	2.08	2.12	2.9	10	2	3200	14.9	25
Samadua	RD4209	AWC	298705	369631	414	2.05	2.13	9.4	12	0	3150	25.9	2
Samadua	RD3630	AWC	297300	370635	388	2	2.98	0.5	12	0	4	2.23	1
Samadua	RD2523	AWC	298470	369667	393	1.68	1.71	0.7	39	35	122	>10	57
Samadua	RD00527	AWC	298514	369877	496	1.49	0	1.2	4	0	1130	7.54	4
Samadua	RD4451	AWC	298842	369590	301	1.42	0	9.2	5	0	12000	22.4	26
Samadua	RD4440	AWC	298436	369724	415	1.33	1.93	30.9	11	19	19000	8.72	42
Samadua	RD2244	AWC	298604	369692	467	1.32	1.34	1.4	7	0	3370	>10	0
Samadua	RD00530	AWC	298521	369883	498	1.26	0	1.7	5	0	544	13.7	15
Samadua	RD2249	AWC	298470	369661	386	1.05	1.05	2.6	51	11	22	15.7	126
Samadua	RD4213	AWC	298720	369546	368	0.995	0	1.6	3	0	5610	2.92	6
Samadua	RD4507	AWC	298869	369528	317	0.958	0	4.3	14	0	3410	17.8	19
Samadua	RD00525	AWC	298514	369872	493	0.936	0	1.5	0	0	3540	8.29	20
Samadua	RD4233	AWC	298444	369718	392	0.916	1.01	1.2	4	16	1890	6.5	0
Samadua	RD2518	AWC	298485	369665	389	0.911	0	0.6	168	48	36	>10	140
Samadua	RD2527	AWC	298315	369839	413	0.866	0.987	0.1	3	2	13	2.84	0
Samadua	RD2530	AWC	298350	369882	438	0.853	0.655	0.3	8	0	20	4.44	8
Samadua	RD3146	AWC	298547	370009	587	0.842	0.929	2.2	7	0	1800	6.84	65
Samadua	RD2264	AWC	301606	370507	724	0.809	0	0.4	25	0	21	1.82	51
Samadua	RD4809	AWC	297652	369321	170	0.785	0.839	2.9	23	16	653	13	12
Samadua	RD4556	AWC	298540	370019	553	0.78	0	6.8	2	0	7910	6.53	61
Samadua	RD00529	AWC	298519	369881	497	0.745	0	4.4	0	0	6090	6.44	6
Samadua	RD2250	AWC	298467	369660	386	0.729	0.731	1.6	20	4	25	12.9	32
Samadua	RD4625	AWC	298451	369720	396	0.714	0	0.6	10	15	16	18.3	21
Samadua	RD2524	AWC	298470	369684	377	0.713	0	2	18	16	244	>10	311
Samadua	RD3091	AWC	298337	369792	392	0.694	0	2.1	0	0	4690	21	24
Samadua	RD4204	AWC	298572	369652	412	0.69	0	1.1	13	22	546	23	4
Samadua	RD00523	AWC	298514	369866	493	0.642	1.16	1.7	0	0	7080	6.61	10

Table 2: Samadua soil samples sorted on gold values. Forty highest gold bearing samples shown with associated elements.

Samadua Prospect AWC IUP Aceh, Indonesia - Soil Samples WGS84 Zone 47 North											
Prospect	SampleID	Tenement	Easting	Northing	Altitude	Au (g/t)	Ag (ppm)	Bi (ppm)	Cu (ppm)	Fe (%)	Mo (ppm)
Samadua	S001516	AWC	298564	369607	388	5.55	1.1	0	51	13.6	96
Samadua	S001469	AWC	298745	369745	475	4.46	1.1	4	637	7.41	36
Samadua	S001471	AWC	298655	369786	503	0.952	0.4	0	4310	13.6	702
Samadua	S001497	AWC	298581	369986	546	0.842	0.3	13	1540	6.84	5
Samadua	S000929	AWC	298593	369680	425	0.726	0.9	10	3080	8.58	0
Samadua	S001498	AWC	298728	369477	300	0.625	0.4	5	102	8.69	5
Samadua	S001479	AWC	298676	369835	514	0.543	0.2	6	720	8.59	2
Samadua	S001548	AWC	298534	370010	574	0.52	0.8	0	1190	7.63	13
Samadua	S000932	AWC	298669	369802	505	0.482	0.2	6	760	8.04	13
Samadua	S001539	AWC	298337	369936	478	0.467	0.3	0	1320	21	4
Samadua	S001456	AWC	298818	369655	390	0.464	0.2	0	131	9.36	287
Samadua	S001451	AWC	298566	369720	464	0.437	0.2	0	859	6.9	2
Samadua	S001494	AWC	298720	369924	534	0.407	0.1	0	896	6.99	89
Samadua	S001478	AWC	298719	369813	499	0.393	0.2	7	733	8.85	0
Samadua	S001444	AWC	298407	369735	384	0.339	0.1	4	920	6.59	5
Samadua	S000944	AWC	298515	370276	642	0.303	0.2	0	72	9.51	2
Samadua	S001496	AWC	298629	369966	557	0.288	0.3	2	904	6.99	8
Samadua	S000934	AWC	298711	369892	528	0.284	0.2	2	1410	7.28	3
Samadua	S001503	AWC	298507	369583	353	0.283	0.4	2	395	7.14	2
Samadua	S001463	AWC	298499	369805	460	0.278	0.2	0	585	8.53	119
Samadua	S001461	AWC	298588	369763.7	483	0.272	0.4	0	563	7.45	2
Samadua	S001530	AWC	298341	369824	439	0.27	0.1	0	361	9.35	3
Samadua	S001441	AWC	298544	369674	424	0.266	0.4	0	403	7.16	1
Samadua	S001470	AWC	298702	369768	498	0.265	0.1	2	502	8.49	4
Samadua	S001450	AWC	298610	369699	454	0.218	0.1	6	70	1.08	1
Samadua	S001460	AWC	298630	369742	485	0.215	0.5	2	1150	6.86	1
Samadua	S001449	AWC	298653	369683	442	0.19	0.1	0	612	5.74	0
Samadua	S001508	AWC	298276	369688	327	0.176	0	0	66	3.99	0
Samadua	S001435	AWC	298816	369542	388	0.174	0.5	0	970	2.75	1
Samadua	S001446	AWC	298789	369612	385	0.172	1.3	0	883	8.5	1
Samadua	S001515	AWC	298611	369589	365	0.17	0.3	0	67	8.78	3
Samadua	S001482	AWC	298536	369893	513	0.169	0.1	5	290	6.27	6
Samadua	S000931	AWC	298633	369767	486	0.165	0	17	1030	4.33	4
Samadua	S001532	AWC	298452	369826	460	0.162	0.3	3	1200	7.58	4
Samadua	S001524	AWC	298413	369735	384	0.159	0.3	7	574	6.04	2
Samadua	S001490	AWC	298561	369943	531	0.154	0.7	0	672	7.6	21
Samadua	S001481	AWC	298584	369876	515	0.153	0.1	10	529	7.87	7
Samadua	S001501	AWC	298595	369540	329	0.144	0.2	0	144	6.25	0
Samadua	S001529	AWC	298385	369805	446	0.144	1.7	0	469	6.85	2
Samadua	S001517	AWC	298522	369628	389	0.141	0.3	0	449	6.93	3



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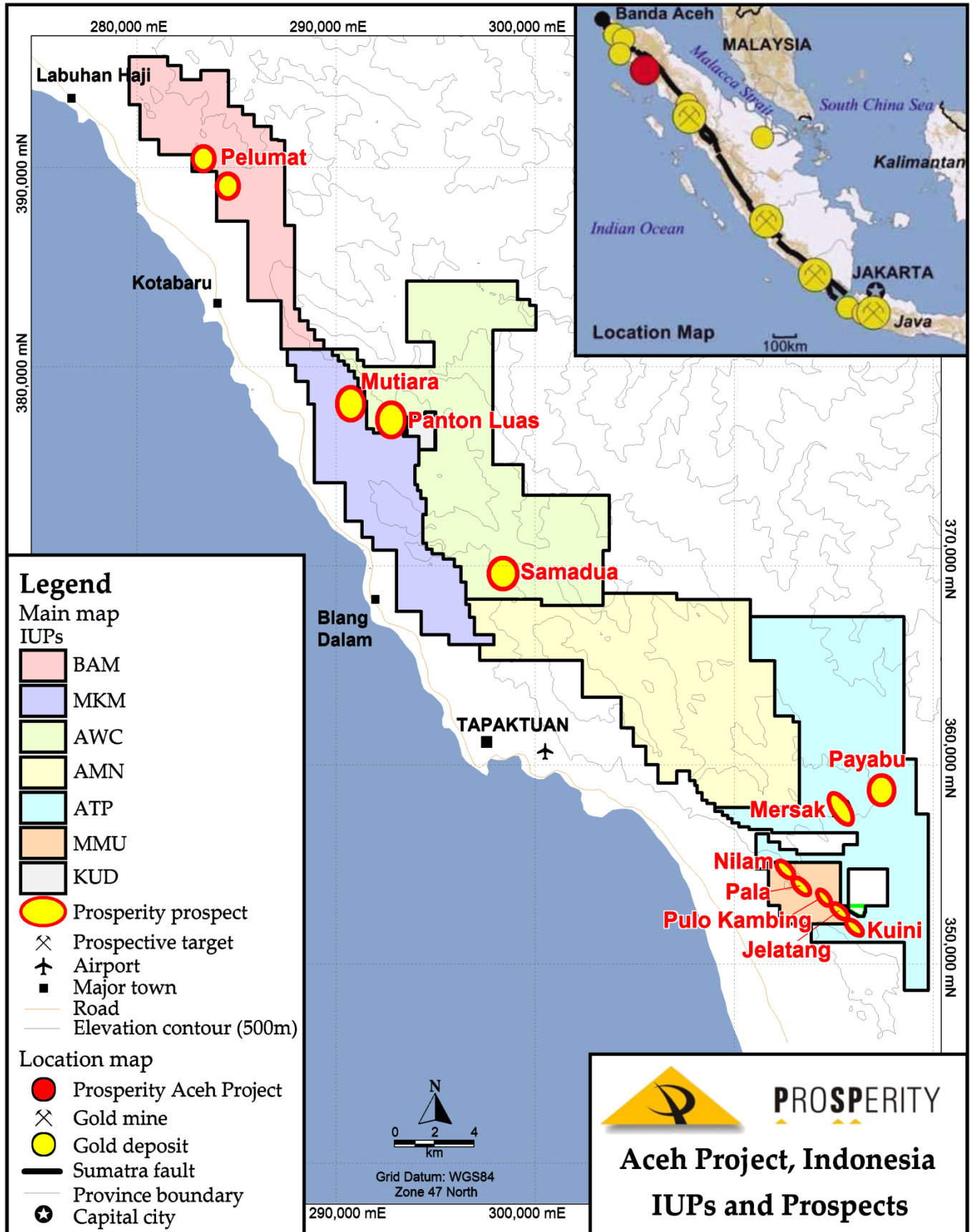


Figure 18: Location of Prosperity Licences (IUPs) and joint venture areas with assessed project target zones.



Grid Coordinates on all figures WGS84 Zone 47 North

Analyses were 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).

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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 during 2010 and 2011 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.