



3rd November 2010

NEW RESULTS EXTEND SIZE OF MUTIARA PROSPECT IN ACEH

Highlights:

- Mutiara Prospect extended to the east with new gold and copper results from trenching and surface sampling.
- Mutiara now extended to 1 kilometre long by 1.3 kilometres wide.
- Field work commenced on several new potential porphyry and high grade skarn mineralised targets identified from recent helicopter borne magnetic survey.
- First ever drilling imminent at Panton Luas

Prosperity Resources Limited (ASX: PSP) is pleased to announce further gold and copper results from Mutiara East. The Mutiara Prospect is located 1.5 kilometres to the north west of the Panton Luas Prospect and these results support the interpreted continuity of mineralisation and alteration between the two exciting Prospects.

The first ever drilling at Panton Luas has started using a man portable diamond drilling rig from Drillcorp. The first assays from the drilling are expected in around three to four weeks time. Drilling is also planned for the Mutiara Prospect in the current drill program. Three other targets are drill-ready and additional rigs are expected to commence in November.

Chairman Mr. Mo Munshi stated “extension of existing Prospects such as Mutiara and the discovery on new target areas is highlighting the potential for multiple discoveries of significant size. While exploration at our Aceh gold/copper project is still at a relatively early stage, results generated to date continue to increase confidence regarding the prospectivity of this underexplored region.”

ASX: PSP

SHARE INFORMATION

Issued Shares: 301.9m
Unlisted Options: 45.2m

BOARD OF DIRECTORS

Chairman & MD: M. Munshi
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Non-Exec: S. Hempel

COMPANY SECRETARY

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KEY PROJECTS

ACEH

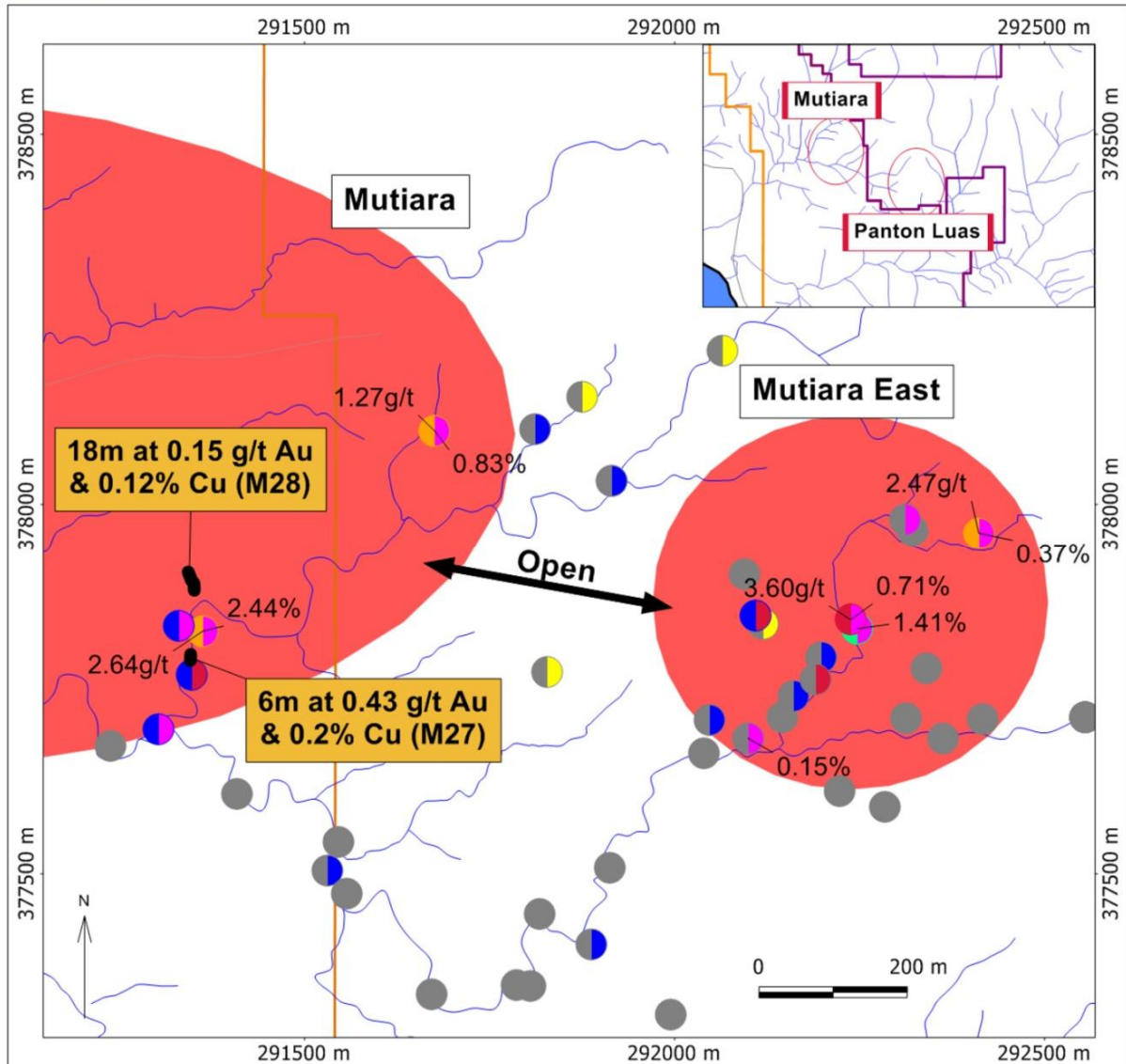
Ownership: earning 73%
Location: Aceh, Indonesia

TENNANT CREEK

Ownership: 100%
Location: NT, Australia



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**Mutiara East
Prospect
Surface Sampling
New Results**

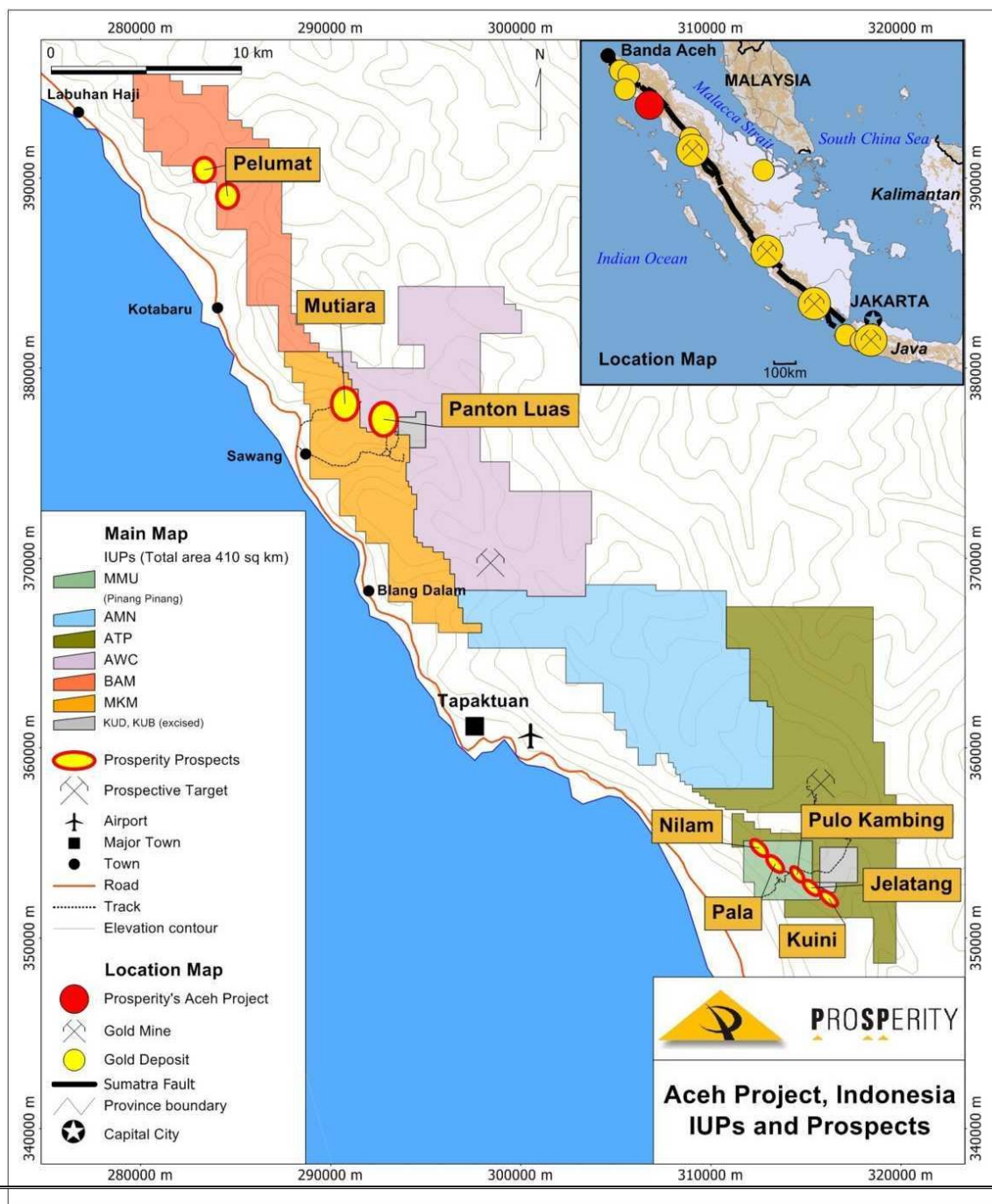
Mutiara East Trench and Surface Samples



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Mutiara East Sampling

New rock chip results from additional sampling have been received from Mutiara East. The sample results are considered significant as they lie in a previously unassessed catchment between the Panton Luas and Mutiara Prospects, at about 200m from Mutiara and 1.2 kilometres from Panton Luas. The better of the gold and copper results are from narrow magnetite skarn hosted bodies within weak regional alteration. However an as yet poorly defined zone of texturally destructive pyritic alteration (bleaching silica/ carbonate-pyrite alteration appearing in the east), up to 200m metres wide is also anomalous, and could provide a link between alteration styles seen at the more advanced Prospects of Mutiara and Panton Luas. The Mutiara Prospect has now been extended to 1 kilometre in strike length with a width of 1.3 kilometres.





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Prosperity's IUP locations in Aceh

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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.



**ACEH PROJECT
TRENCH SAMPLING RESULTS - SIGNIFICANT INTERCEPTS
MUTIARA PROSPECT**

Trench No	Prospect	Start Easting	Start Northing	Interval	From	Au (g/t)	Cu(%)
M27	Mutiara	291346	377791	6m	0	0.43	0.2
M28	Mutiara	291351	377883	18m	0	0.15	0.12

Grid Coordinates WGS84 Zone 47 North.

Trench samples taken at 3 metre intervals.

Surface samples with values of greater than 800 ppm Cu shown

Gold analysis was undertaken by Intertek Jakarta by fire assay analysis. Copper was analysed by ICP following acid digest.

**ACEH PROJECT
SURFACE SAMPLING RESULTS
MUTIARA PROSPECT**

Sample No	Prospect	Easting	Northing	Au (g/t)	Cu (ppm)	Sample Type
R04063	Mutiara	292411	377961	2.47	3730	FLOAT
R05239	Mutiara	292099	377683	0.03	1510	ROCK
R05259	Mutiara	292191	377762	0.02	854	ROCK
R05261	Mutiara	292247	377831	0.49	14100	ROCK
R05262	Mutiara	292238	377843	3.60	7140	ROCK
R05263	Mutiara	292311	377980	0.06	1350	ROCK
R05266	Mutiara	292109	377848	0.15	994	ROCK
R02752	Mutiara	291363	377828	2.64	24400	ROCK
F04244	Mutiara	291302	377695	0.16	1130	ROCK
R04246	Mutiara	291348	377769	0.19	990	ROCK
R04247	Mutiara	291330	377835	0.16	1370	ROCK
R05253	Mutiara	291676	378099	1.27	8340	ROCK