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Encouraging Gold-Copper Results from Drilling at Pinang-Pinang Porphyry Target

Prosperity Resources Limited (ASX: PSP) is pleased to announce encouraging results from the initial scout drilling program at Pala in the Pinang-Pinang Project in Aceh Province, Indonesia. The sixteen shallow diamond drill holes have intersected broad intervals (greater than 100 metres) of porphyry-related veinlet-hosted gold-copper mineralisation, with five of the sixteen holes intersecting shorter intervals of richer, breccia-hosted endoskarn.

Best results include:

- **22 metres @ 1.12 g/t gold and 0.40% copper from 32 metres within 66 metres @ 0.52 g/t gold and 0.18% copper in hole PNGD005**
- **9 metres @ 1.68 g/t gold and 0.54% copper from 6 metres within 22 metres @ 1.12 g/t gold and 0.46% copper in hole PNGD003**
- **7 metres @ 1.13 g/t gold and 0.35% copper from 152 metres within 34 metres @ 0.40 g/t gold and 0.13 % copper in hole PNGD016**
- **44 metres @ 0.37 g/t gold and 0.11% copper from 123 metres in hole PNGD008**
- **8 metres @ 2.12 g/t gold and 0.18% copper from 53 metres in hole PNGD015**
- **6 metres @ 3.62 g/t gold and 0.06% copper from 50 metres in hole PNGD003**

Chairman, Mr Mo Munshi said “the results from this first phase shallow drilling program are encouraging and give us a better understanding of the geology at the Pala Prospect. Our view has always been that Pinang-Pinang is a deeper porphyry target and the next phase of work will involve generating the deeper drilling targets”.



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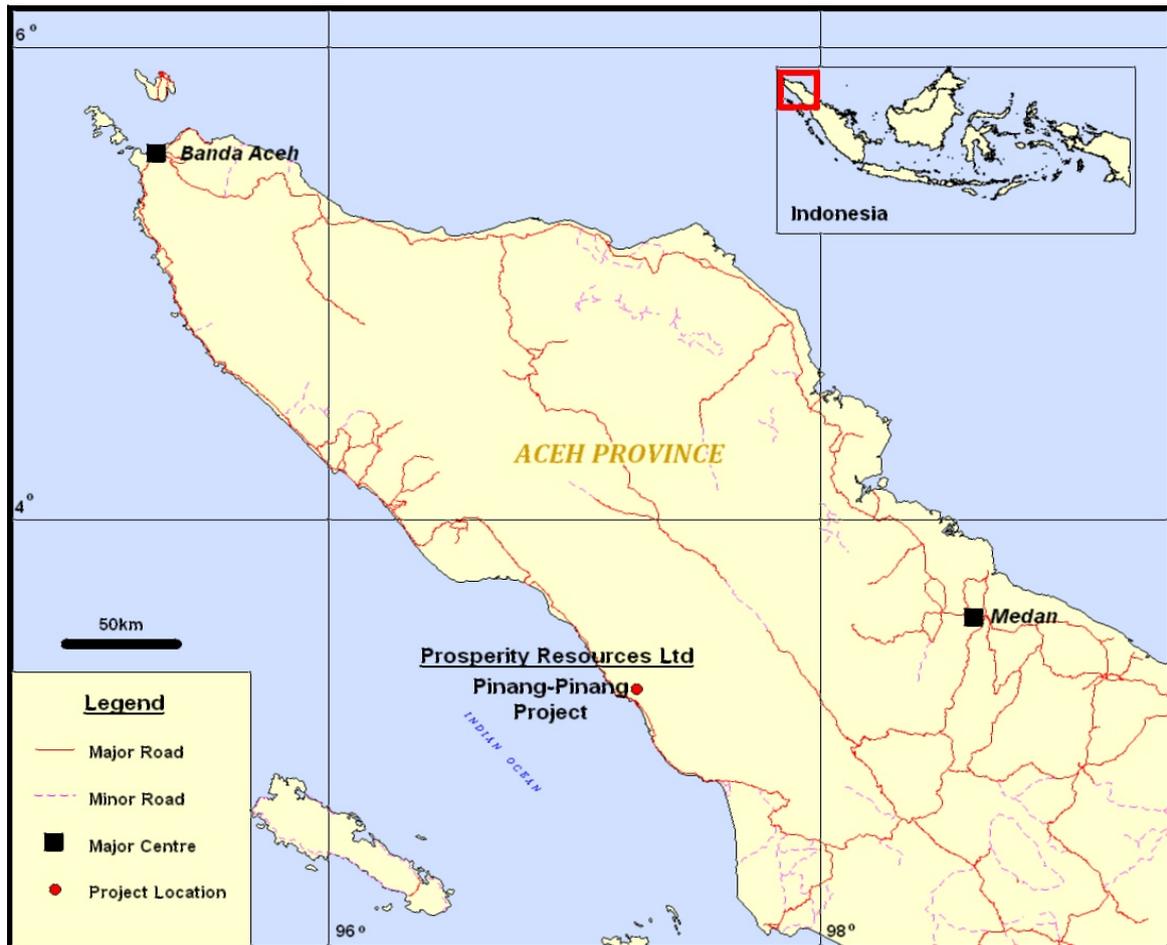


Figure 1: Pinang-Pinang Location

Geology

Mineralisation is hosted wholly within a multi-phase, vertically extensive, microdiorite complex which intrudes older limestone, granodiorite, and sedimentary country rocks, within a broadly northwest orientated structural corridor. The Pala Prospect represents the first of three mineralised centres identified and the first drill tested to date within a complex in excess of six kilometres long. Drilling has tested the mineralised zone at Pala at depths between 60 and 150 metres below surface.



Magnetite bearing breccia in chlorite-sericite altered microdiorite PNGD005 (Interval 1m @ 2.74 g/t Au; 2.15% Cu)





Veinlet- and breccia-hosted pyrite-chalcopyrite mineralisation, intersected to date over a 250 x 250 m area (and open in all directions), post-dates domains of structurally and lithologically controlled, higher temperature microdiorite-hosted silica-magnetite-sulphide(±sericite-chlorite-epidote) endoskarn, and lesser granodiorite-hosted silica-sericite-epidote-sulphide(±garnet-diopside) endoskarn. These assemblages, high pyrite to chalcopyrite sulphide ratios, and the predominating style of veinlet and fracture hosted mineralisation (over a disseminated style) suggests only the very top of a potentially large and vertically extensive porphyry system has been drill tested to date.

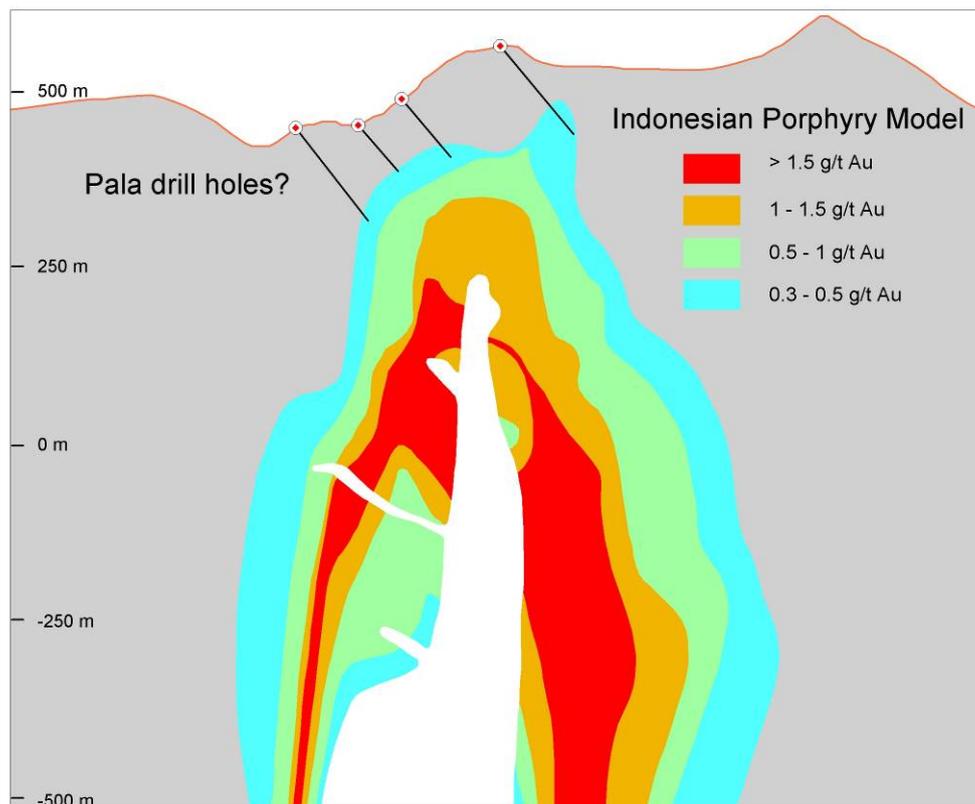


Figure 2 Possible interpretation of Pala drilling results

Zones of significant endoskarn and veinlet-hosted gold-copper mineralisation intersected in an initial northeast directed section line of diamond holes (PNGD001 to PNGD004), occur inter-fingered with weakly mineralised to barren, largely undeformed blocks of limestone and granodiorite (Figure 3). Limestone blocks (roof pendants), along with a number of post-mineral dykes, act to separate or space intervals of significant gold-copper mineralisation at shallow levels in holes PNGD001 through PNGD003.



A broader domain of mineralisation intersected in the top half of hole PNGD004, demonstrates the potential for more continuous intervals of mineralisation at depth below these limestone blocks in this portion of the stratigraphy.

A second section line (Figure 4) of northeast directed holes (PNGD005 to PNGD008 and PNGD010) drilled 80 metres northwest of the first line, has intersected much broader zones of gold-copper mineralisation associated with more continuous intervals of sulphide and quartz-sulphide±magnetite sealed stockwork veining. Significantly, limestone blocks and post-mineral dykes are less common and volumetrically insignificant along this second section line.

Holes PNGD013, PNGD015, and in particular PNGD016, drilled on the western edge of the drill tested area, have confirmed the vertical continuity of vein- and fracture-hosted gold-copper mineralisation below shallow zones of richer, breccia-hosted endoskarn mineralisation intersected nearer to surface in hole PNGD005.

An increase in mineralised fracture and vein intensity and high temperature secondary biotite and magnetite-rich potassic alteration with depth and in holes in the northwest portion of the Pala stratigraphy is pronounced, and helps vector towards a higher temperature portion of the porphyry system. Intervals of encouraging, although spaced pyrite-rich gold-copper mineralisation intersected at shallow levels in this area to date may represent the upper apophyses of more continuous mineralisation at depth as fracture density increases and veinlet zones coalesce closer to the causative metal source (figure 2).

ENDS

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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.



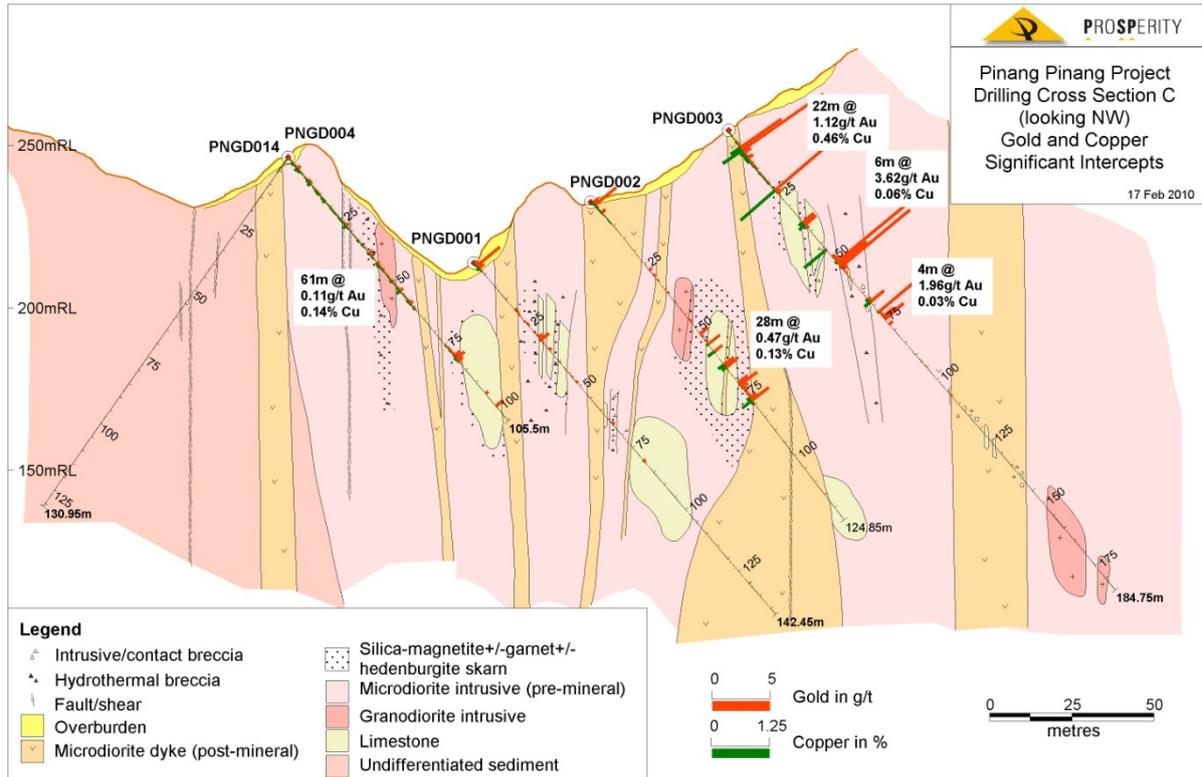


Figure 3: Cross Section C

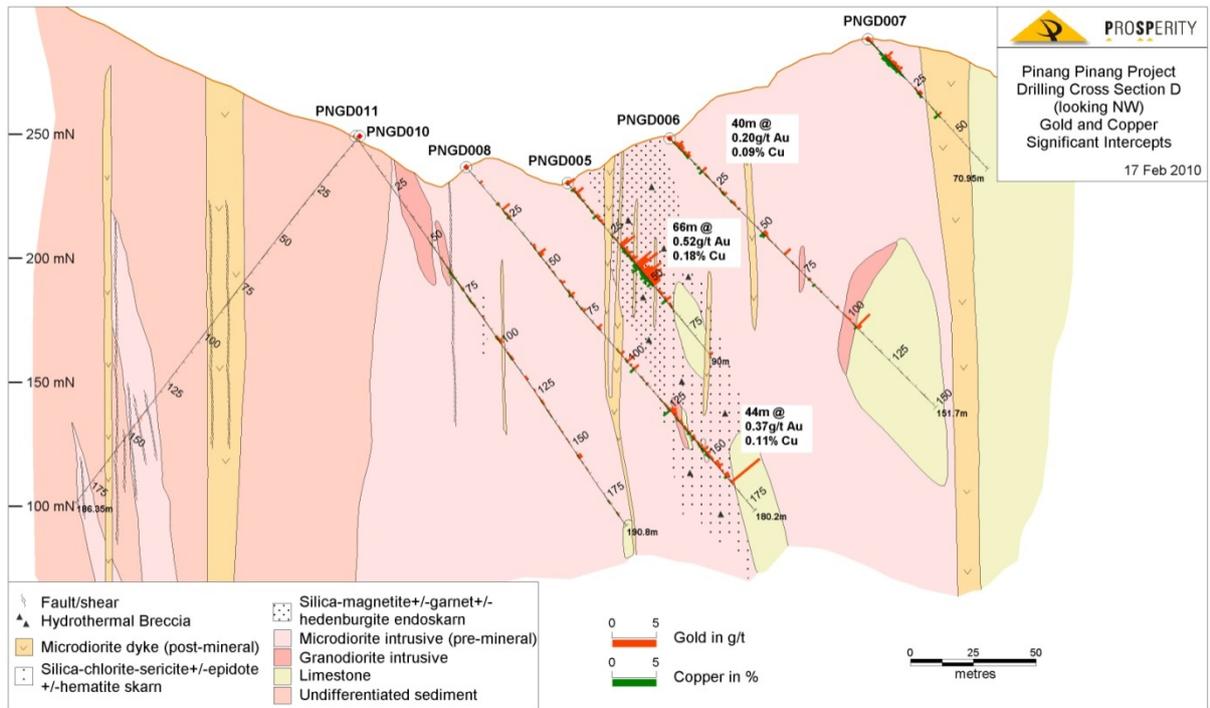


Figure 4: Cross Section D



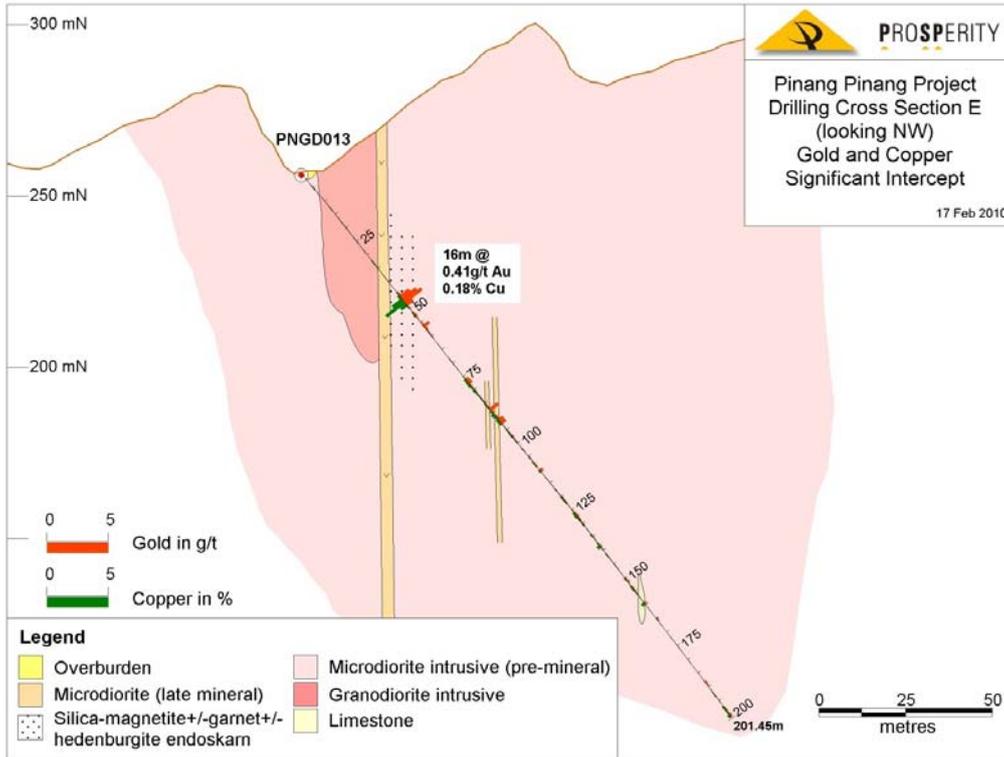


Figure 5: Cross Section E

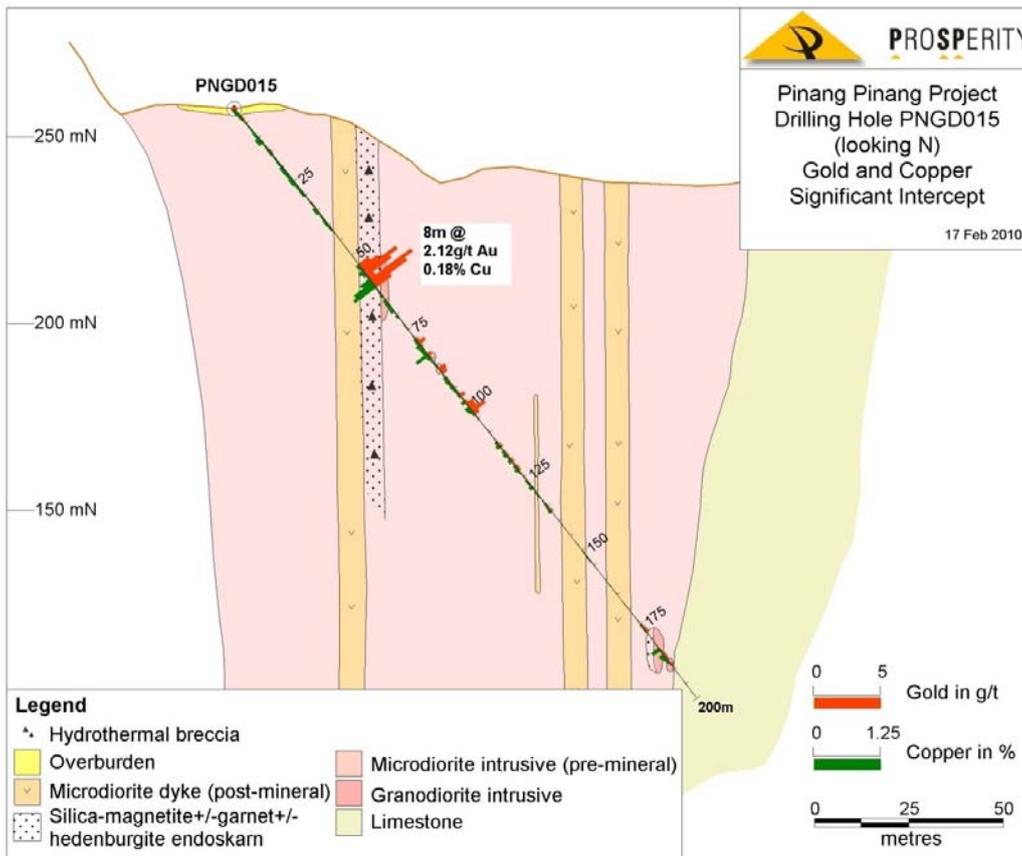


Figure 6: Cross Section Hole PNDG015





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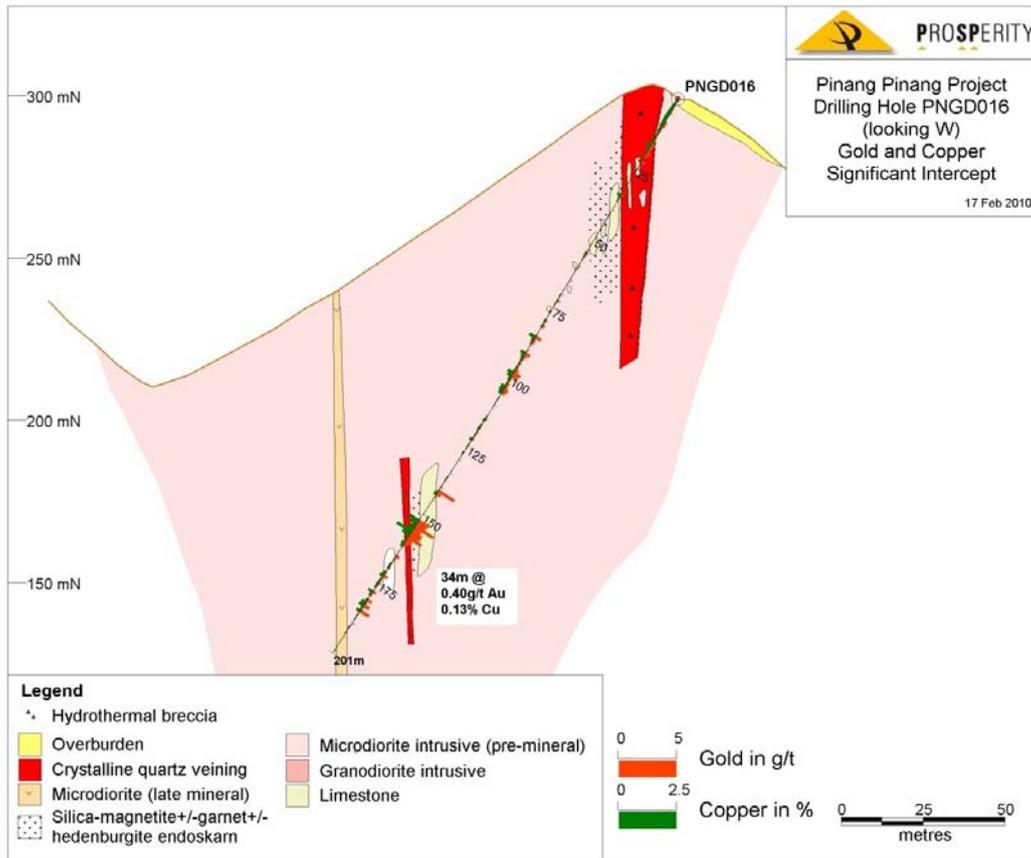


Figure 7: Cross Section Hole PNDG016

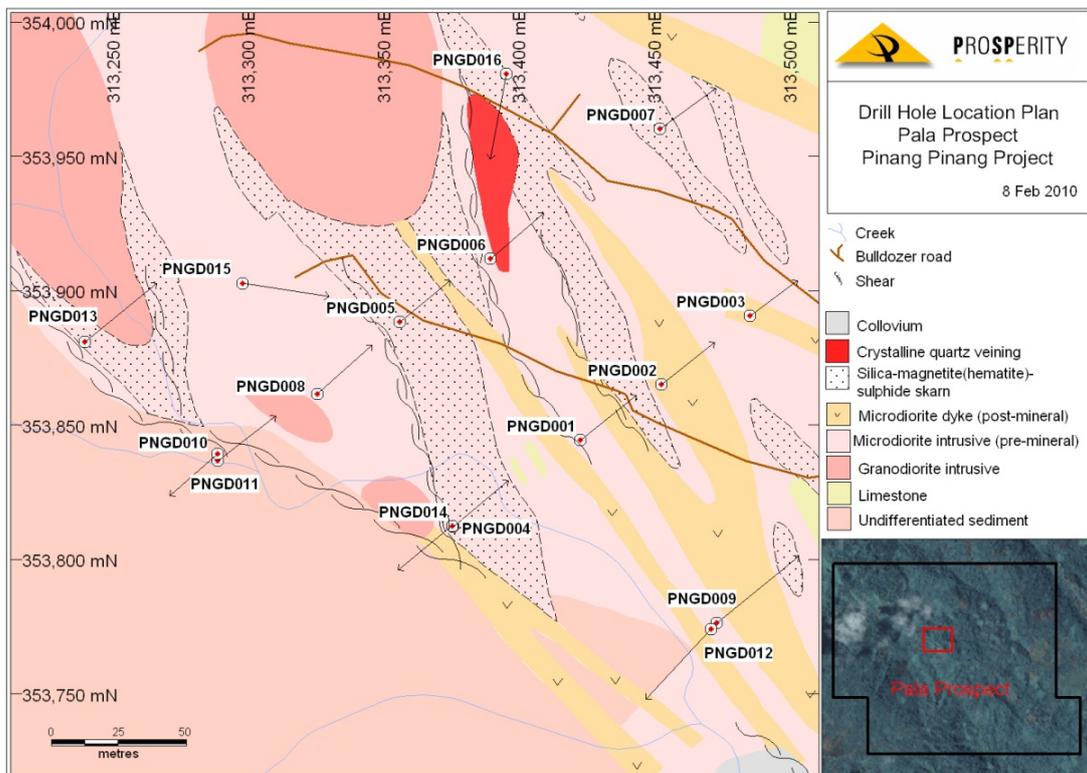


Figure 8: Pala Drilling Plan View





**PINANG PINANG PROJECT
DIAMOND CORE DRILLING RESULTS - SIGNIFICANT INTERCEPTS
PALA PROSPECT**

Hole No	Prospect	Collar Easting	Collar Northing	Interval	From	To	Au (g/T)	Cu(%)
PNGD002	Pala	313453	353865	28	52	80	0.47	0.13
			including	8	71	79	0.90	0.20
PNGD003	Pala	313486	353890	22	4	26	1.12	0.46
			including	9	6	15	1.68	0.54
PNGD003	Pala	313486	353890	6	50	56	3.62	0.06
PNGD003	Pala	313486	353890	4	72	76	1.96	0.03
PNGD004	Pala	313376	353812	61	0	61	0.11	0.14
PNGD005	Pala	313356	353888	66	0	66	0.52	0.18
			including	22	32	54	1.14	0.40
PNGD006	Pala	313390	353912	40	0	40	0.20	0.09
PNGD008	Pala	313326	353862	44	123	167	0.37	0.11
PNGD013	Pala	313240	353881	16	44	61	0.41	0.18
			including	4	45	49	1.20	0.67
PNGD015	Pala	313298	353902	8	53	61	2.12	0.18
PNGD016	Pala	313395	353980	34	152	186	0.40	0.13
			including	7	152	159	1.13	0.35

Grid Coordinates UTM WGS84 Zone 47 North. Gold analysis was undertaken by Intertek Jakarta by fire assay analysis. Copper was analysed by ICP following acid digest.

1 All intervals reported as down hole lengths

2 Lower cut off of 0.05/t Au and 0.05% Cu used

3 A maximum of 6 metres consecutive internal waste used per reported intersection. Waste material is defined as a maximum gap in mineralisation of less than 0.05 g/t Au or 0.05% Cu

