

25<sup>th</sup> August 2010

# HIGH GRADE GOLD RESULTS AT PANTON LUAS PROSPECT

## Highlights:

- Follow up exploration at Panton Luas Prospect reveals widespread gold mineralisation over a strike length of in excess of 500 metres from surface sampling and the first phase of trenching
- Initial trenching at Panton Luas with better results including:
  - Trench P3: 15 metres @ 6.71g/t gold
  - Trench P37: 6 metres @ 2.70g/t gold and
  - Trench P37: 15 metres @ 3.10g/t gold
- Surface sampling results include 71g/t, 83g/t and 29.1g/t gold
- Drilling at Panton Luas, Mutiara, Jelatang/Kaweni Prospects planned to commence mid-September 2010
- Encouraging preliminary results from the current helimag survey indicate that Mutiara and Panton Luas may be part of the one large porphyry system at least 4km long by 1.5km wide.

Prosperity Resources Limited (ASX: PSP) is pleased to announce further excellent results from its Aceh properties. These include significant trench and surface sample results returned from the Panton Luas Prospect, located 1.5 kilometres southeast and along strike of the high grade Mutiara gold/copper results (announced to the ASX on 16<sup>th</sup> August 2010) The recent work at Panton Luas represents the first systematic, continuous trench and channel sampling program completed over the Prospect.



Mutiara and Panton Luas Prospects – well located close to the coast

### ASX: PSP

### SHARE INFORMATION

Issued Shares: 261.4m

Unlisted Options: 70.8m

### BOARD OF DIRECTORS

Chairman & MD: M. Munshi

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Non-Exec: S. Hempel

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### KEY PROJECTS

#### ACEH

Ownership: earning 73%

Location: Aceh, Indonesia

#### TENNANT CREEK

Ownership: 100%

Location: NT, Australia



Chairman Mr. Mo Munshi said “Our substantial regional ground position of 410km<sup>2</sup> in Aceh continues to yield excellent results as evidenced by the follow up surface sampling and initial trenching results at the Pantan Luas Prospect. These results confirm that potential exists for the delineation of a significant disseminated gold and/or porphyry gold/copper systems. A helimag survey has just been completed with early results indicating that Pantan Luas and Mutiara could be part of the same large porphyry system covering 4km by 1.5km. A total of six gold and gold/copper prospects have been delineated in the Aceh Project to date”.

#### **Pantan Luas Prospect: Geology / Trenching & Sampling Results**

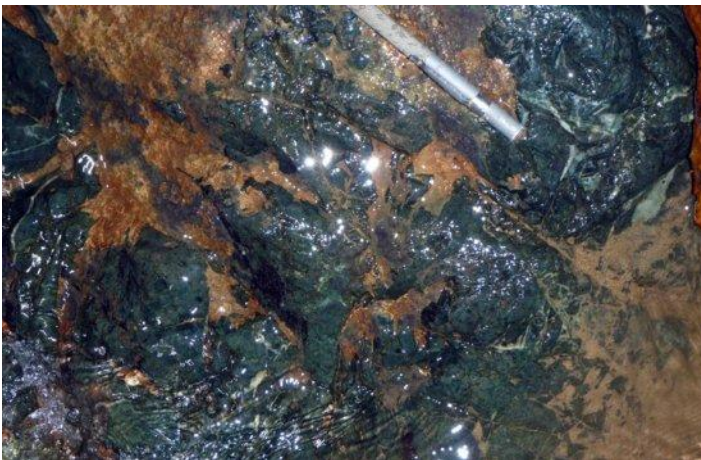
Prosperity recently completed an extensive sampling and trenching program across the Pantan Luas Prospect which is located in the PT AWC exploration IUP.

Pantan Luas contains a gold-rich, copper-poor style of mineralisation with a strike length of more than 500 metres coinciding with the northwest-trending Pantan Luas ridge. Zones of mineralisation also occur across a width of 400 metres at lower elevations in streams and creeks on both sides of the main ridge perpendicular to the ridge following the broad trend of mineralised structures and lithological contacts.

The tenor of the trench and channel results returned to date and widespread distribution of mineralised grab sample results from a large number of active and abandoned mine workings suggest there is excellent potential to define a large tonnage disseminated gold resource at Pantan Luas.

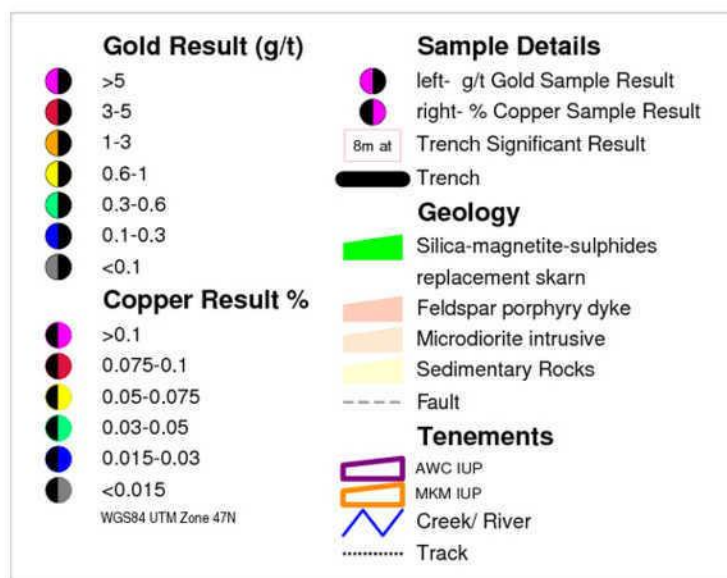
The highlights from the **Pantan Luas** trenching results are as follows:

|             |   |
|-------------|---|
| Trench P3;  | <b>15 metres @ 6.71g/t gold</b>                 |
| Trench P4;  | <b>3 metres @ 15.3g/t gold and 0.11% copper</b> |
| Trench P19; | <b>6 metres @ 2.68g/t gold and 0.26% copper</b> |
| Trench P37; | <b>6 metres @ 2.70g/t gold and</b>              |
| Trench P37; | <b>15 metres @ 3.10g/t gold</b>                 |

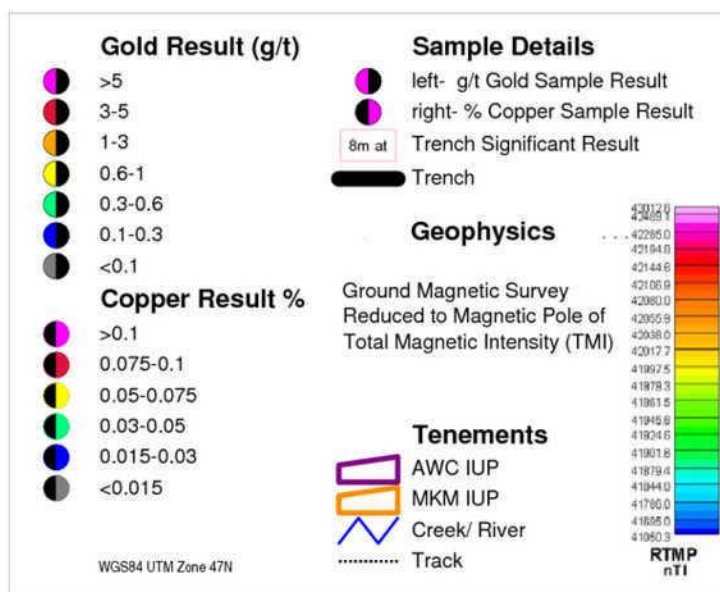


**Microdiorite-hosted silica-magnetite-chlorite alteration in Pantan Luas stream and Pantan Luas sulphide mineralisation**





### Panton Luas Trench and Surface Sample Results (inset area)



**Panton Luas Prospect  
Trenching, Surface Sampling  
& Geophysics**

## Panton Luas Ground Magnetis with Trench and Surface Sample Results



### **Panton Luas Geology / Trenching & Sampling Results cont.**

Both styles of mineralisation at Panton Luas differ slightly from that identified and sampled previously at the nearby Mutiara and Pala and Jelatang Prospects to the south. Locally late, cross-cutting quartz-pyrite ( $\pm$ clay) sealed stockwork veinlets and hydrothermal breccia fill also occur. These massive to banded, crystalline quartz-pyrite sealed structures, characterised by a distinct white clay selvage alteration, are observed hosted with lithological contacts and structures which host earlier, higher temperature silica-magnetite-sulphide replacement alteration. The silica-magnetite-sulphide alteration is spatially and genetically associated with the bulk of the porphyry and endoskarn related mineralisation discovered at all the other prospects explored to date within Prosperity's license holdings in South Aceh.

Gold only or gold-rich, copper-poor styles of mineralisation present at Panton Luas are hosted in both styles of alteration. Quartz-pyrite sealed structures, although hosting significant gold values locally, are not an essential characteristic of strong gold mineralised structures. Sulphide-rich silica-magnetite altered structures (veins and breccias) and contact zones may also host strong gold and locally significant copper mineralisation.

Both styles of mineralisation at Panton Luas are localised by northwest-trending, steeply dipping to sub-vertical (ridge parallel) structures developed in microdiorite or along lithological contacts between microdiorite and narrow (metre wide) late-mineral feldspar porphyry dykes. Dyke contacts and surrounding sub-parallel structures host milled hydrothermal breccias or domains of mineralised stockwork veins, veinlets and replacement alteration.



**Sub-vertical zone of silica-magnetite-sulphide mineralisation**

The margins of a series of feldspar porphyry dykes in drainages on the eastern side of the Panton Luas ridge is the focus for widespread, anomalous copper  $\pm$  gold anomalism associated with intense, pervasive, porphyry-style silica-magnetite-chlorite alteration with locally well developed magnetite-sulphide  $\pm$  silica bearing stockwork. This area is at a much lower elevation and differs geochemically from mineralisation along the top or upper flanks of the Panton Luas ridge in having much higher copper to gold ratios.

Zones of mapped disseminated and stockwork mineralisation along the trend of the main ridge are coincident with a number of ground magnetic anomalies associated with pervasive hydrothermal magnetite alteration, a feature related to mineralisation not only at Panton Luas, but throughout the South Aceh porphyry belt.

Exposure along much of the main Panton Luas ridge is limited due to a deep soil profile and significant accumulations of scree. Sampling along much of the ridge therefore was restricted to grab sampling of outcrop within shallow artisanal mine workings and pits. Both locally secondarily enriched oxidised Au-rich, generally Cu-poor material and primary unoxidised Au-chalcopyrite-pyrite mineralisation is present. The oxidised ores are the target for local artisanal miners from scree float on slopes and shallow workings into the soil cover over oxidised rock preserved on the upper ridge slopes. On lower slopes and in deeper workings primary mineralisation is frequently exposed in outcrop.



*Panton Luas main ridge with artisanal workings*

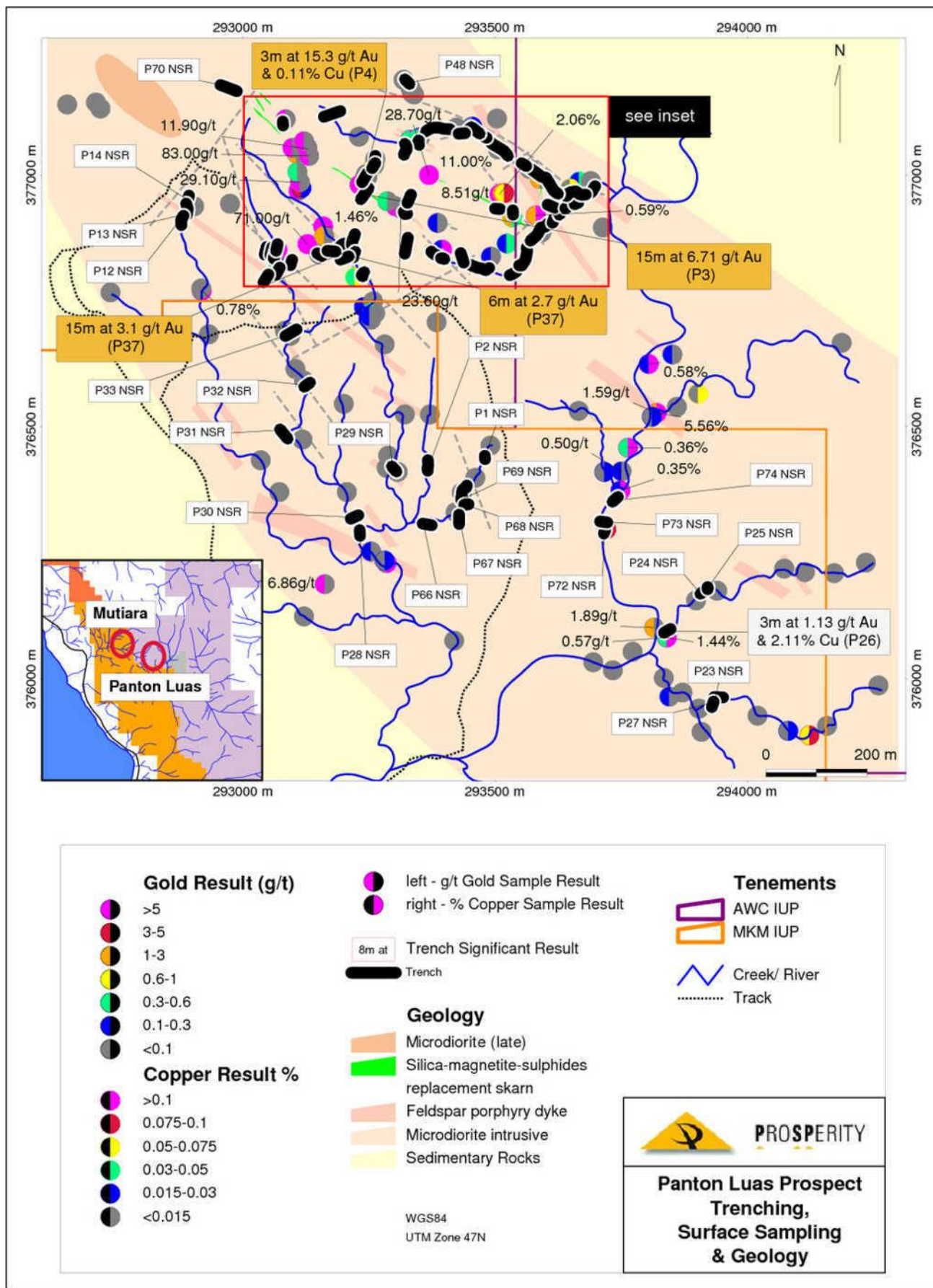
Sporadic gold-copper mineralisation and pervasive, porphyry-related silica-magnetite-chlorite alteration of the host microdiorite intrusive indicates significant potential for the discovery of a large porphyry system at depths below the axis of the ridge line.

Results from a recently completed **helicopter-borne aeromagnetic survey** over Prosperity's entire 41,000 Ha tenement holdings in South Aceh will be used in conjunction with geological mapping, surface geochemistry and ground magnetics to generate drill targets. Drilling is scheduled to commence in mid-September 2010 at the Panton Luas, Mutiara and Jelatang/Kaweni Prospects after the Muslim Ramadan Holidays. The proposed drilling will assess the extent and primary grade of mineralisation at depth beneath the Panton Luas ridge outcrop.





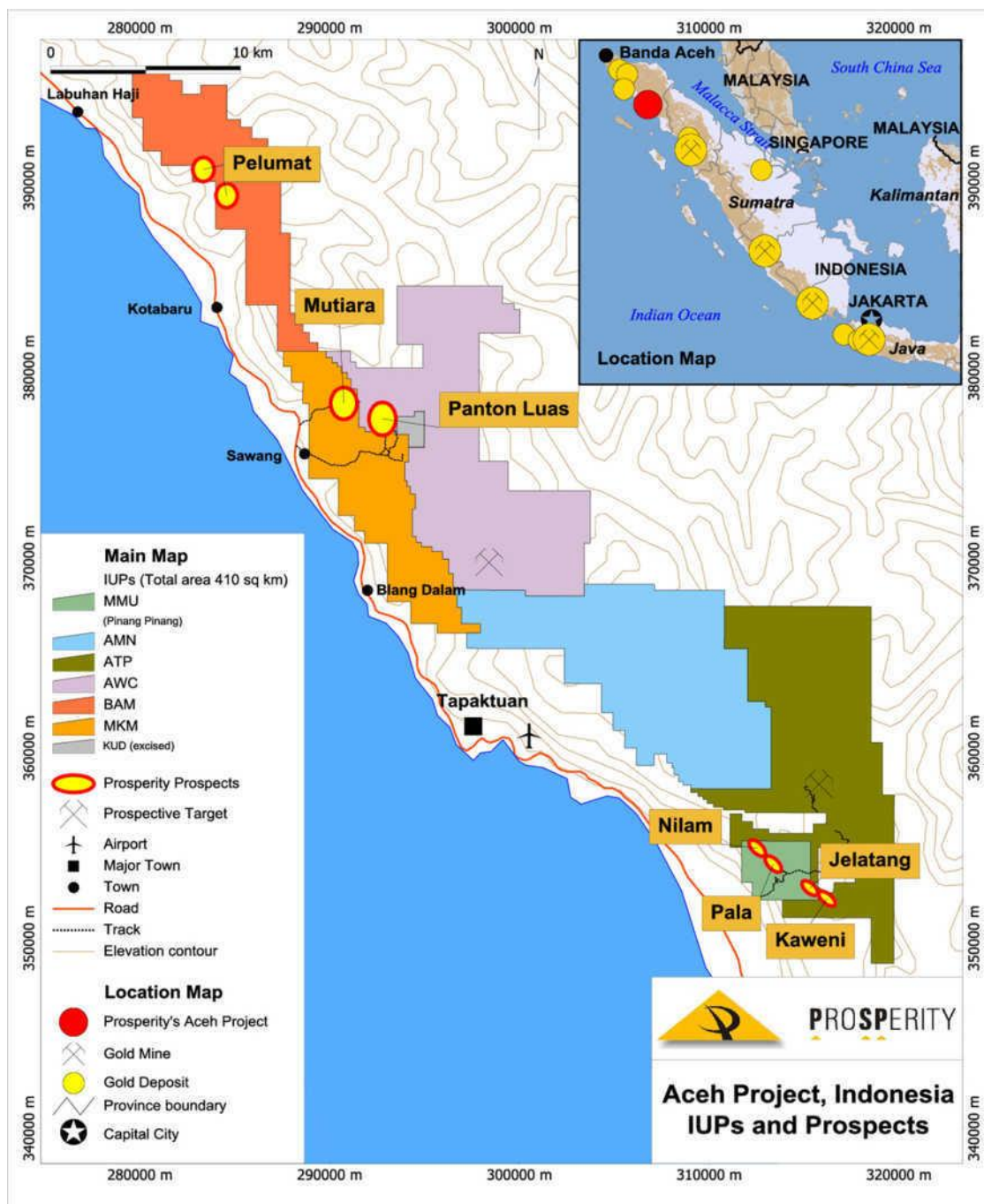
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Pantan Luas Trench and Surface Sample Results (refer inset on page 3)



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Location Map: Prosperity's Aceh IUPs

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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**  
**PANTON LUAS PROSPECT**

| Trench No | Prospect    | Start Easting | Start Northing | Interval | From | Au (g/t) | Cu(%) |
|-----------|-------------|---------------|----------------|----------|------|----------|-------|
| P3        | Panton Luas | 293240        | 376962         | 15       | 0    | 6.71     | 0.01  |
| P4        | Panton Luas | 293241        | 376993         | 3        | 0    | 15.3     | 0.11  |
| P7        | Panton Luas | 293187        | 377127         | 3        | 21   | 1.31     | 0.01  |
| P15       | Panton Luas | 293616        | 376937         | 3        | 0    | 1.44     | 0.01  |
| P16       | Panton Luas | 293536        | 376924         | 6        | 0    | 1.45     | 0.12  |
| P19       | Panton Luas | 293482        | 377075         | 6        | 6    | 2.68     | 0.26  |
| P26       | Panton Luas | 293841        | 376095         | 3        | 0    | 1.13     | 2.11  |
| P35       | Panton Luas | 293219        | 376837         | 6        | 6    | 1.47     | 0.00  |
| P37       | Panton Luas | 293196        | 376844         | 6        | 3    | 2.70     | 0.00  |
|           | and         |               |                | 15       | 18   | 3.10     | 0.01  |
| P39       | Panton Luas | 293363        | 377087         | 3        | 48   | 4.57     | 0.20  |
| P47       | Panton Luas | 293320        | 377042         | 6        | 0    | 1.07     | 0.04  |
| P51       | Panton Luas | 293604        | 376904         | 6        | 0    | 1.15     | 0.29  |

**Grid Coordinates WGS84 Zone 47 North. Trench samples taken at 3 metre intervals.**

**Trench intervals calculated using minimum 3 metre intervals and greater than 0.1g/t gold**

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

**Surface sample results with values greater than 0.1 g/t Au or 500ppm Cu listed**

**\* chip sample from outcrop within shallow artisanal mine working**

**ACEH PROJECT**  
**SURFACE SAMPLING RESULTS**  
**PANTON LUAS PROSPECT**

| Sample No | Prospect    | Easting | Northing | Au (g/t) | Cu (ppm) | Sample Type |
|-----------|-------------|---------|----------|----------|----------|-------------|
| R01823    | Panton Luas | 293764  | 376459   | 0.33     | 3560     | Outcrop     |
| R01824    | Panton Luas | 292918  | 376770   | 0.08     | 7810     | Outcrop     |
| R01829    | Panton Luas | 293071  | 376822   | 0.59     | 3030     | Outcrop     |
| R01832    | Panton Luas | 294124  | 375888   | 0.62     | 809      | Outcrop     |
| R01891    | Panton Luas | 293254  | 376253   | 0.14     | 81       | Outcrop     |
| R01931    | Panton Luas | 293222  | 376797   | 0.54     | 507      | Outcrop     |
| R02106    | Panton Luas | 293082  | 377104   | 5.82     | 113      | Outcrop*    |
| R02112    | Panton Luas | 293589  | 376992   | 2.20     | 11       | Outcrop     |
| R02113    | Panton Luas | 293534  | 376916   | 1.80     | 455      | Outcrop     |
| R02114    | Panton Luas | 293369  | 377000   | 28.70    | 110000   | Grab        |
| R02575    | Panton Luas | 293231  | 376981   | 13.80    | 67       | Outcrop*    |
| R02576    | Panton Luas | 293241  | 376993   | 15.30    | 1140     | Outcrop     |
| R02579    | Panton Luas | 293260  | 377020   | 0.70     | 44       | Outcrop*    |
| R02607    | Panton Luas | 293313  | 376933   | 23.60    | 421      | Outcrop     |
| R02608    | Panton Luas | 293303  | 376938   | 6.49     | 77       | Outcrop     |
| R02609    | Panton Luas | 293286  | 376948   | 0.33     | 87       | Outcrop     |
| R02632    | Panton Luas | 293110  | 376969   | 24.40    | 138      | Outcrop*    |
| R02633    | Panton Luas | 293116  | 376974   | 4.21     | 247      | Outcrop*    |



**ACEH PROJECT  
SURFACE SAMPLING RESULTS  
PANTON LUAS PROSPECT**

| Sample No | Prospect    | Easting | Northing | Au (g/T) | Cu (ppm) | Sample Type |
|-----------|-------------|---------|----------|----------|----------|-------------|
| R02634    | Panton Luas | 293113  | 376986   | 29.10    | 5        | Outcrop*    |
| R02635    | Panton Luas | 293108  | 377006   | 0.55     | 3        | Outcrop*    |
| R02636    | Panton Luas | 293106  | 377043   | 1.53     | 34       | Outcrop*    |
| R02637    | Panton Luas | 293098  | 377054   | 6.22     | 33       | Outcrop*    |
| R02638    | Panton Luas | 293131  | 377038   | 83.00    | 140      | Outcrop*    |
| R02639    | Panton Luas | 293128  | 377052   | 11.90    | 20       | Outcrop*    |
| R02640    | Panton Luas | 293127  | 377055   | 10.40    | 29       | Outcrop*    |
| R02641    | Panton Luas | 293121  | 377067   | 9.30     | 9        | Outcrop*    |
| R02653    | Panton Luas | 293285  | 376230   | 0.09     | 1210     | Outcrop     |
| R02654    | Panton Luas | 293667  | 376987   | 0.15     | 458      | Outcrop     |
| R02664    | Panton Luas | 293523  | 376864   | 0.12     | 496      | Outcrop     |
| R02665    | Panton Luas | 293331  | 377070   | 0.50     | 1770     | Outcrop     |
| R02666    | Panton Luas | 293351  | 377075   | 0.25     | 10       | Outcrop     |
| R02667    | Panton Luas | 293346  | 377071   | 0.47     | 13       | Outcrop     |
| R04004    | Panton Luas | 293509  | 376962   | 8.51     | 20600    | Outcrop*    |
| R04005    | Panton Luas | 293515  | 376964   | 1.75     | 1040     | Outcrop     |
| R04006    | Panton Luas | 293519  | 376964   | 0.65     | 849      | Outcrop     |
| R04881    | Panton Luas | 293816  | 376102   | 1.89     | 69       | Outcrop     |
| R04882    | Panton Luas | 293721  | 376297   | 0.05     | 979      | Outcrop     |
| R04883    | Panton Luas | 293751  | 376412   | 0.50     | 735      | Outcrop     |
| R04884    | Panton Luas | 293751  | 376412   | 0.10     | 18       | Outcrop     |
| R04885    | Panton Luas | 293749  | 376374   | 0.21     | 3540     | Outcrop     |
| R04888    | Panton Luas | 293821  | 376528   | 1.59     | 55600    | Outcrop     |
| R04890    | Panton Luas | 293805  | 376625   | 0.29     | 5800     | Outcrop     |
| R04891    | Panton Luas | 293852  | 376644   | 0.13     | 49       | Outcrop     |
| R04899    | Panton Luas | 293240  | 376738   | 0.19     | 239      | Outcrop     |
| R04911    | Panton Luas | 293068  | 376852   | 0.07     | 5800     | Outcrop     |
| R04912    | Panton Luas | 293159  | 376898   | 17.60    | 14600    | Outcrop     |
| R04914    | Panton Luas | 293581  | 376920   | 1.74     | 5930     | Outcrop     |
| R04915    | Panton Luas | 293492  | 376838   | 0.12     | 142      | Outcrop     |
| R04916    | Panton Luas | 293649  | 376973   | 0.05     | 589      | Outcrop     |
| R04923    | Panton Luas | 293903  | 376566   | 0.03     | 749      | Outcrop     |
| R04925    | Panton Luas | 293841  | 376082   | 0.57     | 14400    | Outcrop     |
| R04933    | Panton Luas | 293846  | 375965   | 0.19     | 15       | Outcrop     |
| R04978    | Panton Luas | 293128  | 376863   | 71.00    | 1660     | Outcrop*    |
| R04980    | Panton Luas | 293259  | 376730   | 0.60     | 137      | Outcrop*    |
| R04981    | Panton Luas | 293251  | 376720   | 0.13     | 10       | Outcrop*    |
| R04995    | Panton Luas | 293161  | 376879   | 1.60     | 16       | Outcrop     |
| R05036    | Panton Luas | 293162  | 376188   | 6.86     | 42       | Outcrop     |
| R05201    | Panton Luas | 293395  | 376852   | 0.27     | 1090     | Outcrop     |
| R05202    | Panton Luas | 293386  | 376905   | 0.13     | 27       | Outcrop     |