

Smash Minerals Corp. and Prosperity Goldfields Corp. Execute Definitive Amalgamation Agreement

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VANCOUVER, BRITISH COLUMBIA -- (Marketwire) -- 02/02/12 -- [Smash Minerals Corp.](#) ('Smash') (TSX VENTURE: SSH) and [Prosperity Goldfields Corp.](#) ('Prosperity') (TSX VENTURE: PPG) are pleased to announce that the parties have now executed a definitive business combination agreement (the 'Agreement') in respect to the proposed transaction (the 'Transaction') first announced by the parties on January 5, 2012. The parties to the Transaction act at arm's length.

Assuming completion of the Transaction, which will be completed by the amalgamation (the 'Amalgamation') of the parties, the amalgamated entity will own rights to 100% of the interests in two prospective resource projects in Nunavut and the Yukon encompassing 1,276 km² with approximately C\$8M in working capital to execute 2012 drill programs on both projects with an experienced and successful technical and management team with relevant experience in both project areas.

Details of Business Combination

Pursuant to the Agreement, Smash and Prosperity have agreed, subject to certain standard conditions, to amalgamate to form a new company ('Amalco'), to be known as Prosperity Goldfields Corp. The Amalgamation will be completed on the basis of one (1) common share of Prosperity for each one (1) common share of Amalco and one decimal six (1.6) common shares of Smash for each one (1) common share of Amalco. All warrants and options of Prosperity and all warrants of Smash outstanding on the closing date of the Transaction will be converted into warrants and options of Amalco on the same ratios.

Upon completion of the Transaction, the combined company (Amalco) will have approximately 58,557,466 issued and outstanding common shares and Prosperity and Smash will own approximately 74% and 26% of the combined company, respectively. The terms of the Transaction have been unanimously approved by the boards of directors of both Prosperity and Smash and will be described in a Joint Management Information Circular of Prosperity and Smash to be filed with regulatory authorities and mailed to Prosperity and Smash shareholders in accordance with applicable securities laws.

In connection with the Transaction, officers, directors and certain shareholders of Prosperity, who hold approximately 60.8% of Prosperity's common shares, and officers, directors and certain shareholders of Smash, who hold approximately 30.9% of Smash's common shares, have entered into lock-up and support agreements under which they have agreed to vote in favour of the Transaction.

The Agreement includes a commitment by both Prosperity and Smash not to solicit alternative transactions to the proposed Transaction and the parties have agreed to pay the other party a break fee of \$500,000 in certain circumstances.

The closing of the Transaction is scheduled to be completed on or before April 13, 2012 and is subject to the usual conditions precedent in this type of transaction, including the receipt of shareholder and regulatory approval. In respect to shareholder approvals, it is anticipated that each of Smash and Prosperity will hold special meetings of its shareholders on March 30, 2012.

Prosperity Goldfields President & CEO, R. Bruce Duncan stated, 'We are pleased to have entered into a definitive business combination agreement with Smash and look forward to securing regulatory and shareholder approval to our proposed transaction. As stated previously, the proposed transaction represents a major positive development for the shareholders of both companies. It will greatly strengthen the treasury of the combined company and will thereby support an aggressive exploration and drilling program at Kiyuk, where strong drill results have only begun to test numerous well-defined targets occurring along a 24 km strike length of gold-bearing strata in the Kiyuk Basin. Mr. Duncan further stated, 'As I have commented before, the transaction, if completed, will bring together a strong exploration team from Smash with significant exploration experience in northern Canada which, together with the continued geological input from Dr. Quinton Hennigh and a combined expertise in permitting, should enable the combined company to take the exploration and drilling at Kiyuk to the next level of discovery.'

'We are pleased to have executed the definitive agreement for our proposed transaction. The proposed amalgamation of Smash and Prosperity will bring enhanced value to Smash shareholders by broadening our exposure with a second gold exploration play that has already returned solid drill results,' stated Adrian Fleming, President & CEO of Smash Minerals.

Prosperity's Kiyuk Lake gold property in southern Nunavut is located 100km northeast of the four corners of Saskatchewan, NWT, Manitoba and Nunavut. The property consists of 50 claims covering an area of 430 km². Gold showings were first recognized in 1992. Newmont explored and drilled the property from 2006 to 2008 but the drilling was not successful. Quinton Hennigh brought the property to Evolving Gold Corp. in 2009 and it was subsequently vended to Prosperity and listed in February 2011. Prosperity's first drilling program in 2011 included 14 holes for a total of 2600 m's, which returned encouraging results from three separate targets. At the Rusty Target hole 1 returned 157.6m at 1.7g/t Au from the surface including 30.5m at 4.9g/t Au from 5.2m. At the Gold Point Target hole 3 returned 63.6m at 2.84 g/t Au from 148.6m. Additional aggressive exploration and drilling is planned to commence in March 2012.

Smash's Whiskey Project, located in Yukon's White Gold District, encompasses 846 km² including the placer gold rich Black Hills and Barker Creeks. Smash executed an extensive multi-phase, multi-disciplinary exploration program from May to October 2011. Work conducted on the Whiskey Property included: property-scale geological mapping and structural studies; prospect and local-scale mapping and prospecting; collection of 1,819 grab rock samples; collection of 19,511 soil samples including ridge-and-spur and grid soil samples; on-site XRF analysis of all grid soil samples collected; a two-phase stream sediment sampling program focusing on all catchment areas within the Whiskey Property to a maximum of 20 km²; airborne magnetic and radiometric geophysical survey covering the entire property; mechanized trenching covering 2,500 line-metres over 83 trenches and collection of 1,295 channel samples, including trench reclamation; and a diamond drill program consisting of eight holes totalling 1,665.9 metres. The 2011 exploration program has confirmed the presence of gold and silver mineralization in bedrock on the Property.

Smash anticipates a 2012 program of drill testing high priority targets located within an interpreted structurally controlled hydrothermal system centered in the north eastern portion of the Whiskey Property. Mid-summer season diamond drilling should commence at the Highland Park, Stranahan's and Tullamore Dew targets once sufficient surface trenching and detailed geological mapping have been completed to allow for drill targeting.

Adrian Fleming and Quinton Hennigh are Qualified Persons who have reviewed the technical content of this press release for Smash and Prosperity respectively.

About Prosperity

Prosperity's principal business is the acquisition, exploration and development of resource properties for the mining of precious metals. Prosperity acquired the option to purchase the mineral claims comprising the 'Kiyuk Property' near Nueltin Lake in Nunavut. Prosperity's principal objective is to explore the Kiyuk Property.

About Smash

Smash Minerals principal business is the acquisition, exploration and development of gold projects principally located in Canada. Smash owns an option to purchase a 100% interest in the Whiskey Project within the gold rich White Gold District, Yukon Territories, Canada.

ON BEHALF OF THE BOARD OF SMASH MINERALS CORP.

Adrian W. Fleming, President and CEO

ON BEHALF OF THE BOARD OF PROSPERITY GOLDFIELDS CORP.

R. Bruce Duncan, President and CEO

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results or developments may differ materially from those projected in the forward-looking statements. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. There is no assurance that the amalgamation between the companies will occur on the terms proposed, or at all. Neither Smash Minerals Corp. or Prosperity Goldfields Corp. assumes the obligation to update any forward-looking statement, except as required by applicable law.

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