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## NEWS RELEASE

August 16<sup>th</sup> 2007

TSX Venture Exchange Symbol - PRR

### Prospector Options The Candamena Mining District, Mexico

Prospector Consolidated Resources Inc. (“the Company”) is pleased to announce that, subject to regulatory approval, it has agreed to enter into an option agreement (the “Option”) with First Majestic Silver Corp. (“First Majestic”), giving Prospector the right to acquire a 100% interest in the Candamena Mining District in Mexico. The Candamena Mining District encompasses 5,215 hectares and is located in the NW Sierra Madre Occidental in the State of Chihuahua. The property can be reached via Highway 16 which links the cities of Hermosillo and Chihuahua.

The Candamena Mining District is host to several highly mineralized areas; the Nuevo Dolores, a volcanogenic-hosted epithermal gold-silver deposit; the La Blanca, a similar highly prospective area and two old high grade silver-lead-zinc mines, called La Verde and La Prieta, which include an old flotation mill and other equipment.

The Nuevo Dolores deposit has a number of old shafts and historical workings and has similarities to other acid-sulphate systems in the district. Manhattan Minerals Corp. carried out an exploration program primarily focusing on the Nuevo Dolores area in 1996-1997, completing 60 diamond drill holes for a total of 11,475 m of drilling and other exploration work including mapping and rock chip sampling. Manhattan tested only a small part of the property. A historic resource estimate stated at that time by Manhattan was an inferred resource of 6,100,000 tonnes grading 0.905 grams of gold per tonne. They also reported a potential for resources in this deposit of 1,000,000 ounces of gold and 20,000,000 ounces of silver. **Note:** *Readers are however cautioned that this potential quantity and grade is conceptual in nature and that there has not been sufficient exploration to define this estimated mineral resource and it is uncertain if further exploration will confirm this potential mineral resource on the property.*

Manhattan’s primary focus at the time was the gold potential, however, silver appears to play an important role in the future economics of this property as evidenced by drill results analysed by Bonder Clegg and Chemex Labs of Vancouver in 1997;

HOLE	FROM – TO	METERS	GOLD	SILVER
97 – CN – 36	15 - 216	201	1.04 g/t	38.3 g/t
97 – CN – 45	81 - 216	135	1.49 g/t	8.8 g/t
97 – CN – 50	22 - 130	108	1.16 g/t	28 g/t
97 – CN – 58		320	0.25 g/t	1.5 g/t

The mineralized structure remains open at depth and to the south and was known to extend off the past property boundaries of which the Company has now acquired rights to the entire district.

The La Blanca represents an area of high interest. This area has not been explored by modern methods but is clearly similar, geologically and visually to the Nuevo Dolores deposit and appears to be an important area for future development and extension of the main deposit. The old La Verde mine has historic underground mined resources grading 466 grams per tonne silver, 0.13 grams per tonne gold, 4.33% lead and 3% zinc and the La Prieta mine is reported by the vendors as containing similar grades. Further studies of La Verde and La Prieta are required to confirm these grades. **Note:** *The reader is cautioned that the historic reserve and resource estimates for the Candamena Mining District, including the Nuevo Dolores, do not conform to National Instrument 43-101 requirements for reporting reserves and resources. The Company is not treating these historic estimates as current resources. These resource estimates should not be relied upon until they have been verified by further due-diligence and by the Company's 'Qualified Person'.*

The Candamena Mining District is clearly similar to a number of other economically important gold-silver mines in the district. The northern part of the Sierra Madre Occidental in Chihuahua and Sonora, host some of the largest volcanic-hosted, epithermal, precious metals mines in Mexico. They all occur at the same general geological horizon, and are all very similar, genetically, geologically, and mineralogically.

Management is very excited by the opportunity in acquiring an asset of this potential size. The Company's objective is to proceed as rapidly as possible to confirm previous estimates as reported.

Under terms of the agreement, Prospector will earn a 100% interest in the Candamena gold-silver deposit by providing \$50,000 CAD to First Majestic within five (5) business days upon execution of this agreement and 2,000,000 shares in the Company upon regulatory approval. On exercise of the Option, Prospector will assume all of First Majestic's obligations, which are two purchase agreements totalling \$6,375,000 US in staged payments concluding in November, 2008. The purchase agreements are for 5,215 hectares that make up the Candamena Mining District, including the Nuevo Dolores deposit, La Blanca, La Verde, the La Prieta mine and all the assets and the flotation mill located on the property.

The qualified person responsible for review of the technical aspects of this news release is Henry Neugebauer, P. Eng., President & CEO of the Company.

A consulting fee of 50,000 shares in the Company will be payable to Ron Shavchook.

For further information on the Company, please call our office at (604) 687-8863 or visit our web site at [www.prospectorresources.com](http://www.prospectorresources.com)

**On behalf of the Board,**

**Brian Stewart**  
**Director & VP, Business Development**

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*This press release has been prepared by management; the TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*