



HIGHLIGHTS

- ✚ Six porphyry mineralised intrusive centres discovered to date at Prosperity's Aceh Projects
- ✚ New discovery announced after the end of the quarter at Jelatang with 2 scout diamond core holes returning best intercepts of:
 - PNGD017: 17metres @ 1.27g/t gold & 0.7% copper ending in mineralisation
 - PNGD019: 14 metres @ 0.55g/t gold & 0.5% copper
- ✚ Prosperity now holds 410km² (41,000 ha) contiguous land package after consolidating its ground position in the under-explored Aceh region of Indonesia
- ✚ Best rock sample assays from Mutiara of 29.2g/t gold and 18.3% copper
- ✚ Newly defined Panton Luas Prospect a priority target with best surface sample assays of 48.8g/t gold and 45.5 g/t gold.
- ✚ Panton Luas/Mutiara potentially part of the same 3.5km long porphyry system
- ✚ Six Aceh licenses successfully converted to IUPs during the quarter

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Capital Structure:
ASX Listed Shares: 256M
ASX Unlisted Options: 60.8M

ASX Code:
PSP – ordinary shares

Directors:
Mo Munshi
Chairman/Managing Director

John Arbuckle
Non-Executive Director

Sebastian Hempel
Non-Executive Director





Projects

Panton Luas Prospect (Prosperity75%)

Gold – Copper

During the quarter, Prosperity announced excellent gold results from surface rock samples at the **Panton Luas Prospect** in Aceh Province, Indonesia.

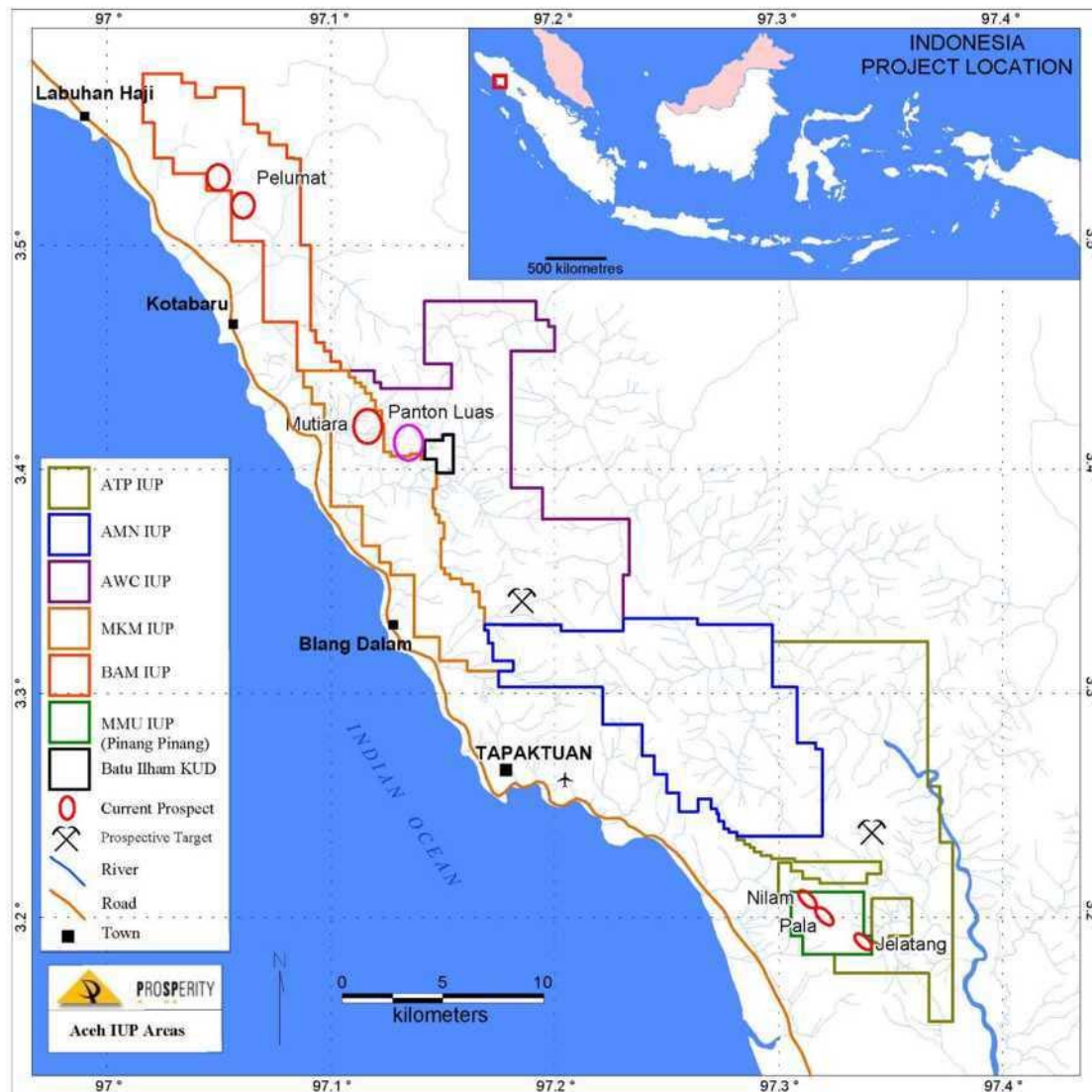


Figure 1: Prosperity's land package in Aceh



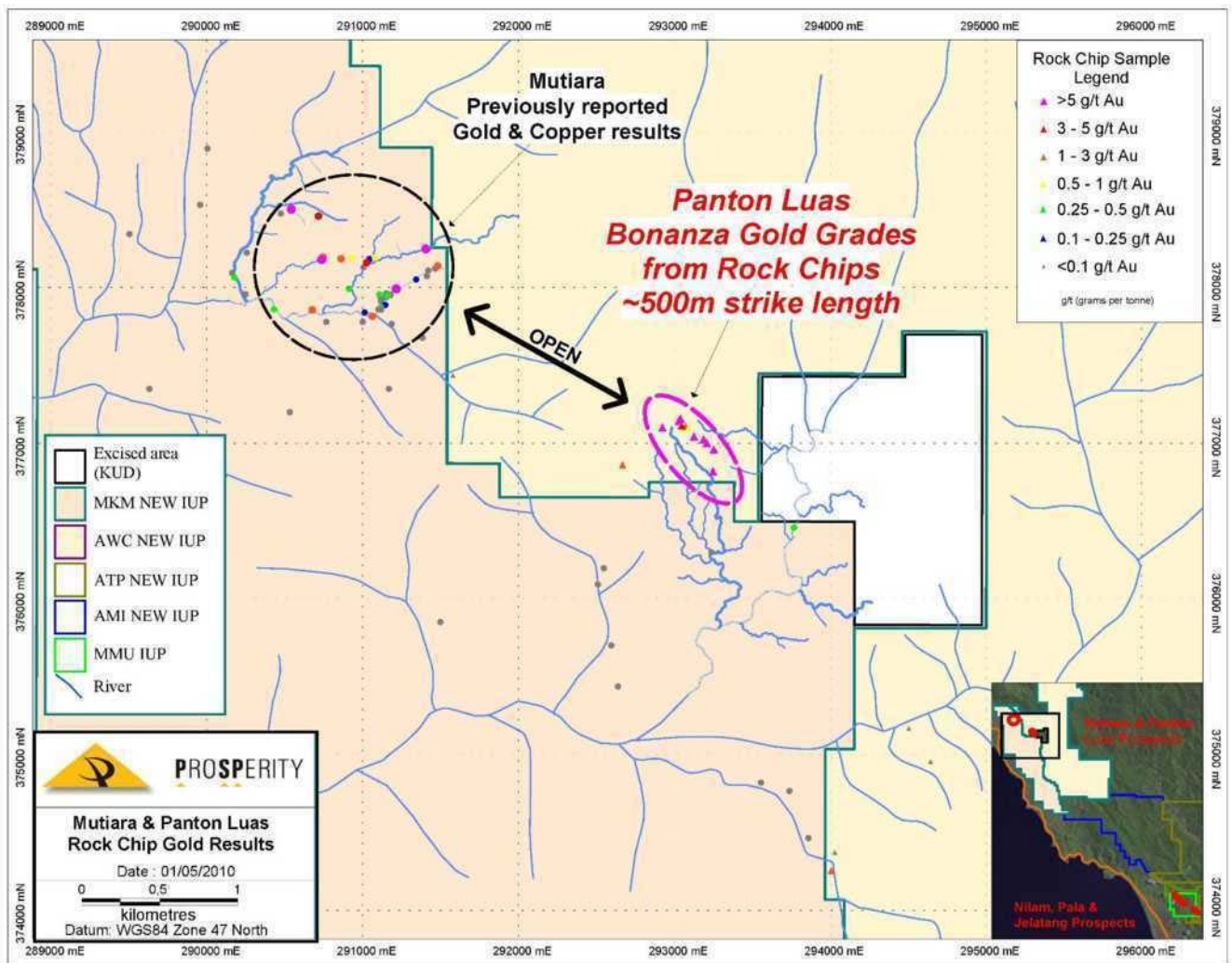
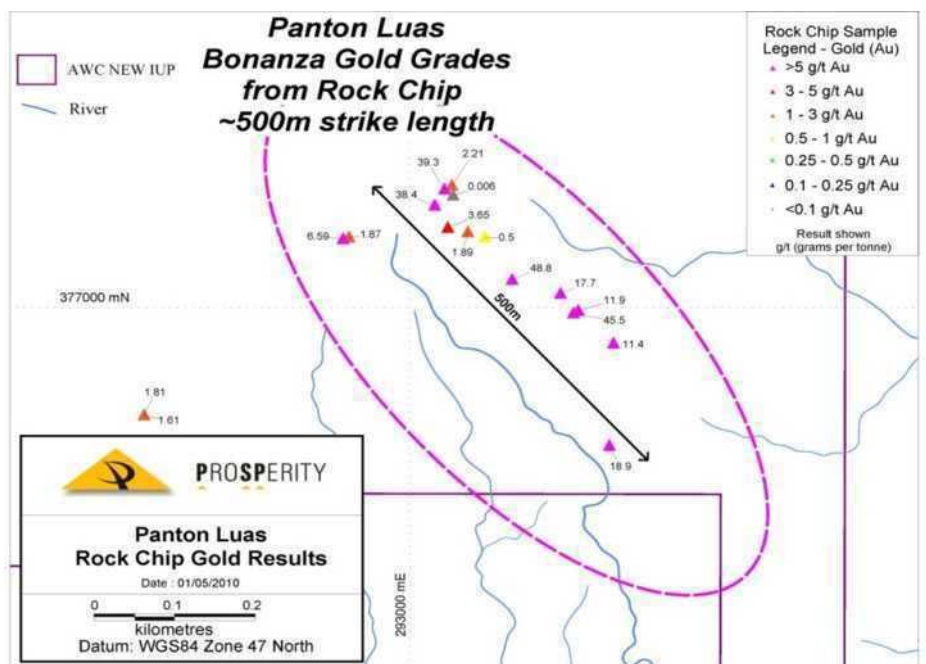


Figure 2: Panton Luas –Mutiara Sample Results

The Panton Luas system is located 35 kilometres north-west of the Pinang-Pinang gold-copper project, within a broad mineralised structural corridor which continues from the Pala and Jelatang Prospects in the south-east.

Best gold assay results from samples included **48.8g/t, 45.5g/t, 39.3g/t and 38.4g/t.**

Figure 3: Panton Luas Gold Results





Prosperity's field mapping indicates that the Panton Luas and Mutiara Prospects may be part of the one large 3.5 kilometre long porphyry centre which remains open (figure 2). Further sampling and ground magnetics will be completed on the ground in this area in the coming quarter.

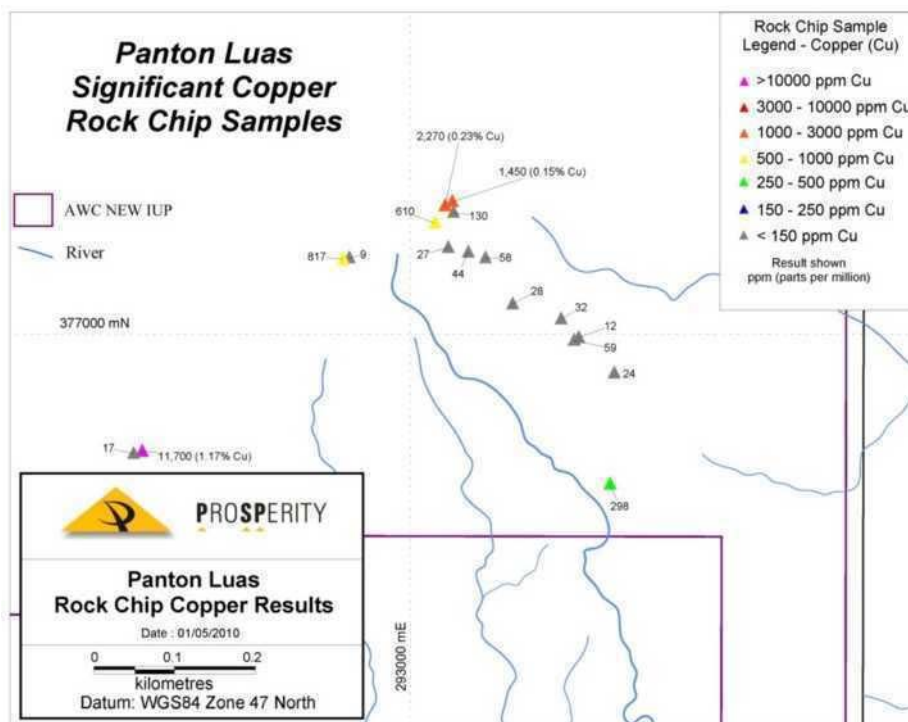


Figure 4: Panton Luas Copper Results

Mutiara & Pelumat Prospects (Prosperity right to acquire 73%)

Gold – Copper

The **Mutiara** and **Pelumat** porphyry centres were discovered during the quarter by Prosperity's exploration team in Aceh.

The Mutiara Prospect is 1.2 kilometres long by 1.2 kilometres wide within the MKM IUP, 35 kilometres north-west of Pala which returned a peak assay of 29.2g/t gold and 18.3% copper (from a float sample). The second new prospect named Pelumat is a further 10 kilometres to the north-west within the BAM IUP and limited rock chip sampling from within this prospect returned maximum assays of 0.33g/t gold and 0.17% copper (from float sampling).

The Mutiara Prospect is an extensive zone of gold-copper stream and rock-float geochemistry. Mapping indicates the geochemistry is largely sourced from outcropping domains of proximal, replacement-style endoskarn mineralisation. As seen at Pala and Jelatang to the south-east, endoskarn mineralisation at Mutiara is spatially and genetically related to a more subtle and poorly exposed style of microdiorite-hosted disseminated mineralisation manifested by stockwork sulphide only and quartz-sulphide±magnetite veinlets and surrounding domains of variable intensity, pervasive porphyry-style alteration. The Mutiara Prospect mineralisation is open to the east and north-west and south-east.



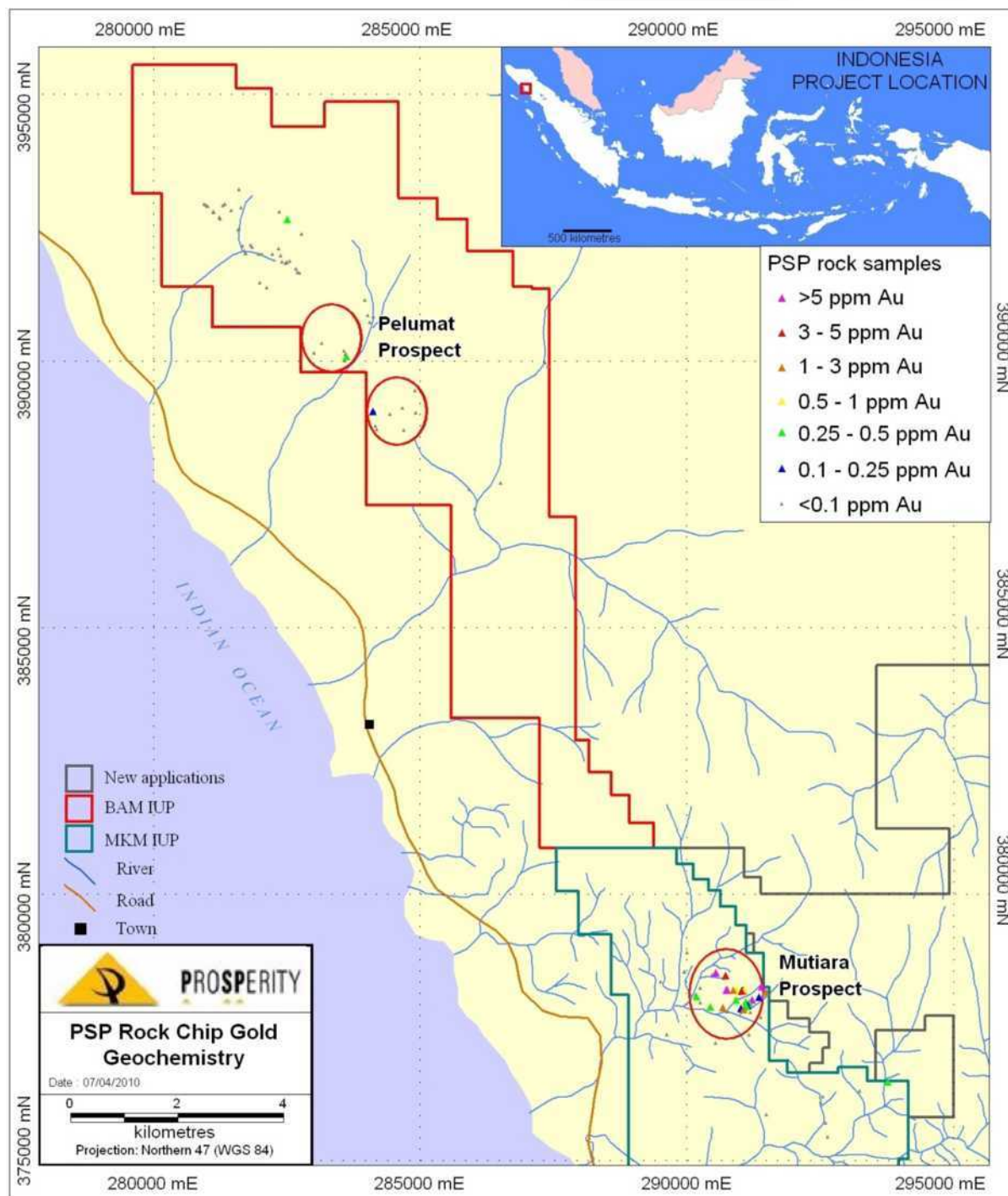


Figure 5: Mutiara and Pelumat Gold Results

The Pantan Luas – Mutiara system, like the Pala and Jelatang Prospects further to the south-east, contain features and characteristics common to world-class gold-rich porphyry deposits. These features include disseminated and stockwork veinlet fracture-hosted gold-copper mineralisation with 2 to 1 or greater gold to copper ratios, proximal gold-copper rich endoskarn mineralisation and pervasive porphyry-style alteration including widespread hydrothermal magnetite.



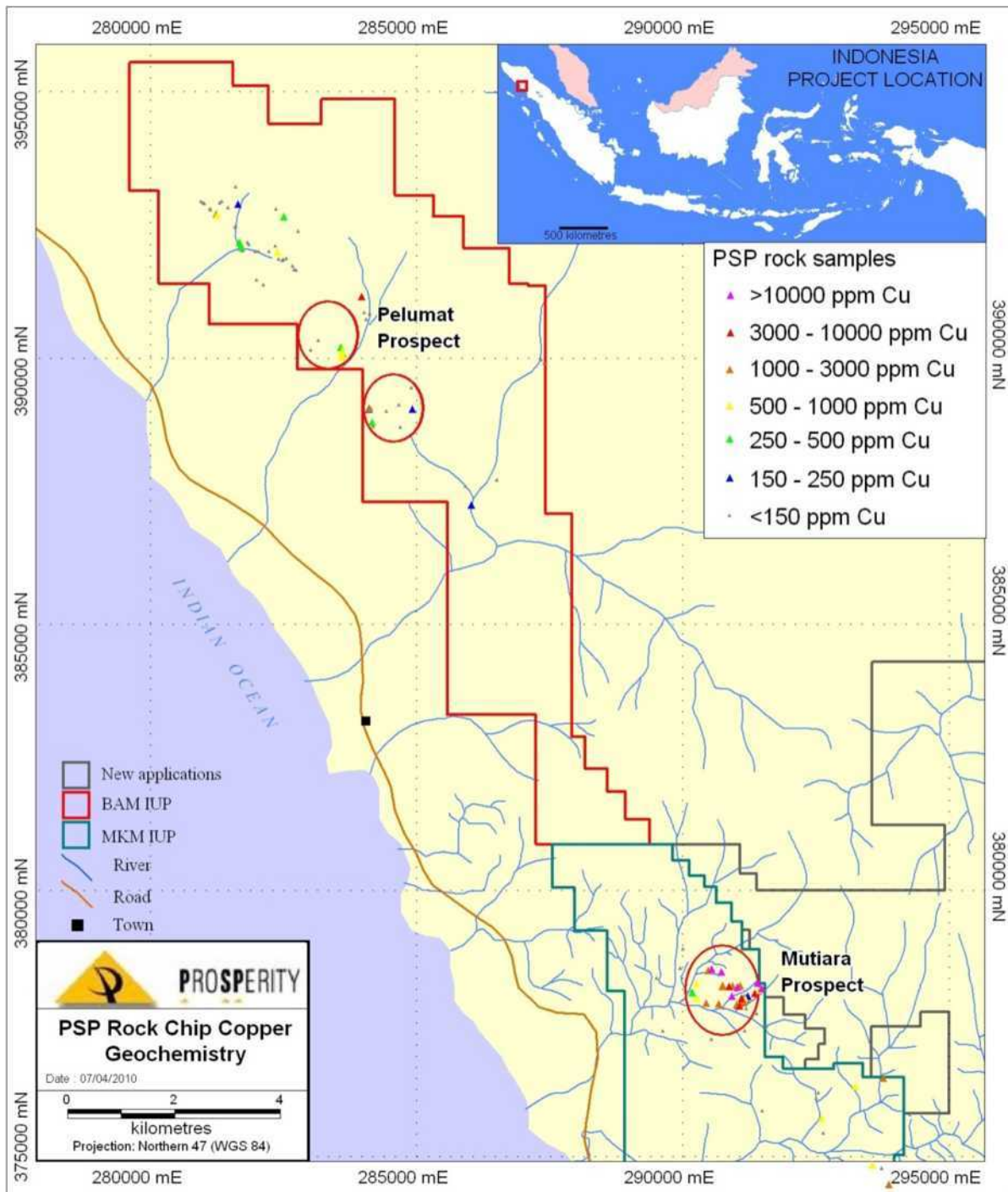


Figure 6: Mutiara and Pelumat Copper Results

Jelatang Prospect (Prosperity right to acquire 73%)

Gold – Copper

After the end of the June quarter, Prosperity Resources announced the completion of a grid-based, 1.1 kilometre long by 700 metre wide soil sampling program over the Jelatang Prospect, in conjunction with rock-chip, trench and channel sampling, and a ground magnetic survey. High grade gold and copper results were returned (refer ASX announcement 8 July 2010).





Two scout diamond drill holes, designed as an initial test of the down dip extension of the largest and most coherent domain of surface geochemistry and ground magnetic response were completed during the quarter. Both holes successfully intersected long intervals of disseminated and quartz-sulphide stockwork veinlet-hosted anomalous mineralisation, along with shorter intervals of higher grade replacement skarn mineralisation. Hole PNGD017 finished in mineralisation.

Further Land Acquisitions in Aceh

Prosperity converted two existing licenses to IUPs during the quarter and was granted a further three 10,000 hectare IUPs. This brings the total land holdings in the region to 41,000 hectares of contiguous land in the under-explored Aceh region of Indonesia. The land package contains a 50 kilometre strike length of highly prospective under-explored tenure and Prosperity has discovered six mineralised zones to date.

Corporate

The Company renegotiated its joint venture terms with PT Dana Mitra Utama (Dana) during the quarter. The buy-back rights which existed on the Pinang-Pinang project have been cancelled. PT Dana was issued five million fully paid ordinary Prosperity shares and ten million unlisted Prosperity options exercisable at 10 cents on or before 31st August 2010 as consideration for the cancellation of the buyback.

Prosperity's Indonesian joint venture company, PT PSP increased its equity in PT MMU to 80% through exploration expenditure of US\$1,250,000. PT PSP also acquired a 51% equity stake in PT MKM through the exploration expenditure of US\$500,000.

No exploration fieldwork was carried out at the Tennant Creek, Mt Gibson or Yalgoo projects during the June 2010 quarter. The Company continues to seek expressions of interest with a view to divesting the Mt Gibson and Yalgoo projects.

For further information please contact:

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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.



Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

PROSPERITY RESOURCES LIMITED

ABN

60 103 280 235

Quarter ended ("current quarter")

30 JUNE 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	- - - (123)	- - - (688)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	23
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research & development tax refund	-	605
Net Operating Cash Flows	(119)	(60)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	- - -	- - (6)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	- - -	- 130 -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) Exploration and evaluation	- (833)	- (3,113)
Net Investing Cash Flows	(833)	(2,989)
1.13 Total operating and investing cash flows (carried forward)	(952)	(3,049)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(952)	(3,049)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	3,000
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	665
1.17	Repayment of borrowings	-	(500)
1.18	Dividends paid	-	-
1.19	Proceeds for pending issue of shares	-	-
1.19	Other (Exchange gain realised)	-	30
	Net financing cash flows	-	3,195
	Net increase (decrease) in cash held	(952)	146
1.20	Cash at beginning of quarter/year to date	1,467	369
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	515	515

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	39
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' remuneration \$24,425 Services provided by director-related entities \$15,000

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	1,002	1,002
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	325
4.2 Development	-
4.3 Production	-
4.4 Administration	60
Total	385

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	213	562
5.2 Deposits at call	302	905
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	515	1,467

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	E59/1011 E59/1038	Surrendered Reduced	100% 100%	- 50%
6.2	Interests in mining tenements acquired or increased	PT MMU PT MKM PT BAM PT AWC PT ATP PT AMN	Acquired Acquired Option to acquire Option to acquire Option to acquire Option to acquire	- - - - - -	80% 51% - - - -

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	256,425,373	256,425,373	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities <i>(description)</i>			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options	<i>Total number</i>	<i>Number quoted</i>	<i>Exercise price</i>	<i>Expiry date</i>
	Unlisted (1)	10,000,000	-	2 cents	30 Sep 2010
	Unlisted (2)	5,000,000	-	2 cents	30 Sep 2010
	Unlisted (3)	*250,000	-	40 cents	31 Dec 2010
	Unlisted (4)	3,500,000	-	10 cents	28 Feb 2011
	Unlisted (5)	32,000,000	-	5 cents	28 Feb 2011
	Unlisted (6)	*250,000	-	50 cents	31 Dec 2011
	Unlisted (7)	1,500,000	-	15 cents	28 Feb 2012
	Unlisted (8)	2,000,000	-	12 cents	31 Mar 2012
	Unlisted (9)	1,000,000	-	20 cents	31 Mar 2012
	Unlisted (10)	1,000,000	-	30 cents	31 Mar 2012
	Unlisted (11)	1,000,000	-	40 cents	31 Mar 2012
	Unlisted (12)	500,000	-	12 cents	31 Oct 2012
	Unlisted (13)	500,000	-	15 cents	31 Oct 2012
	Unlisted (14)	100,000	-	15 cents	31 Dec 2012
	Unlisted (15)	500,000	-	5 cents	28 Feb 2013
	Unlisted (16)	200,000	-	5 cents	28 Feb 2013
	Unlisted (17)	500,000	-	5 cents	28 Feb 2013
	Unlisted (18)	500,000	-	10 cents	28 Feb 2013
	Unlisted (19)	*500,000	-	10 cents	28 Feb 2013
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

* - not vested

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:Date: 30 July 2010

(Company Secretary)

Print name: G Taylor

+ See chapter 19 for defined terms.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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