



HIGHLIGHTS

- + High grade surface sample results from the Pelumat Prospect**
- + Diamond drilling program underway at Panton Luas**
- + New targets identified from helimag 3D inversion modelling within the Aceh Project**



First Drilling at Panton Luas

Prosperity Resources Limited
100 Parry St
PERTH WA 6000
ABN 60 103 280 235

PO Box 7516
Cloisters Square
PERTH WA 6850
Tel: +618 9322 7575
Fax: +618 9322 9485

Website: www.prosperity.net.au
Email: info@prosperity.net.au

Share Registry Enquiries:
Computershare Investor Services
45 St Georges Terrace
PERTH WA 6000
Tel: +618 9323 2000
Fax: +618 9323 2033

Capital Structure:
ASX Listed Shares: 344.5M
ASX Unlisted Options: 21.2M

ASX Code:
PSP – ordinary shares

Directors:
Mo Munshi
Chairman/Managing Director

John Arbuckle
Non-Executive Director

Sebastian Hempel
Non-Executive Director

Mufti Habriansyah
Non-Executive Director





Projects

**Pelumat Prospects
(Prosperity right to acquire 73%)**

Gold – Copper

During the quarter, Prosperity completed a surface sampling program at the **Pelumat Prospect** in Aceh Province, Indonesia.

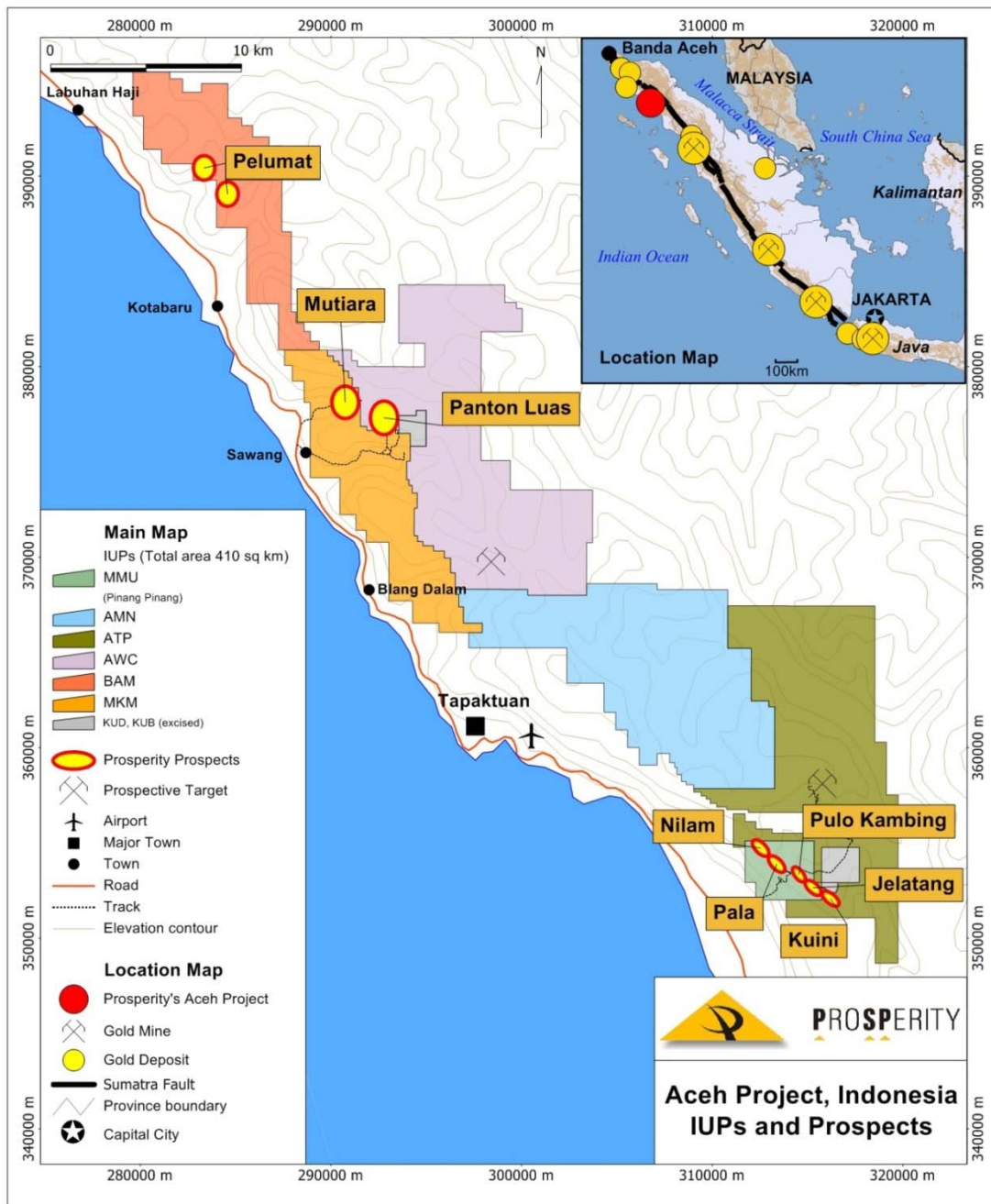


Figure 1: Prosperity's land package in Aceh





The Pelumat area of the BAM exploration IUP contains several distinct strong magnetic highs identified in Prosperity's recent airborne magnetic survey. Two of these, Pelumat North (2km long) and Pelumat South (3km long) have been subject to reconnaissance mapping and sampling. At Pelumat North, strongly magnetic fine grained dioritic intrusive rocks have been identified with associated felsic zones. There is evidence for overprinting alteration and locally elevated copper values. The Pelumat South magnetic anomaly is broader and locally more intense. Surface samples including high grade oxidised float ranging up to 109 g/t Au, 490 g/t Ag and 37% Cu have been located (figure 2). All strongly anomalous surface grab samples within the Prospect are oxidised, with some samples containing azurite.

The high silver values suggest that the system is low in pyrite. The highly anomalous gold-copper samples also contain markedly elevated values in one or more of the following, As, Bi, Sb and Te, when compared to surrounding samples. This is suggestive of either orogenic, or more probably, skarn mineralisation. The high bismuth and tellurium content supports an intrusive relationship, probably with a high iron contact skarn association for these samples.

Only a small portion of the Pelumat Prospect has been systematically sampled and further work, covering the remainder of the Prospect is ongoing.

Panton Luas Prospect (Prosperity 75%)

Gold – Copper

During the quarter, the first four diamond core holes were completed at the exciting Panton Luas Prospect in Aceh, Indonesia. This first phase exploratory drilling commenced on 12 February 2011 to test beneath magnetic anomalism related to hydrothermal magnetite alteration and a zone of gold bearing chlorite-sericite-silica-pyrite alteration.

The planned six hole program with two rigs entails each hole being drilled to approximately 250 metres depth at a -50° declination (see figure 3), testing across a broad zone of geochemical anomalism in patchy outcropping bedrock. This drilling will assist in understanding the geological controls on mineralisation, grade distribution and alteration relationships. The completed holes are currently being cut for logging and sample analysis and the assays will be released when completed.



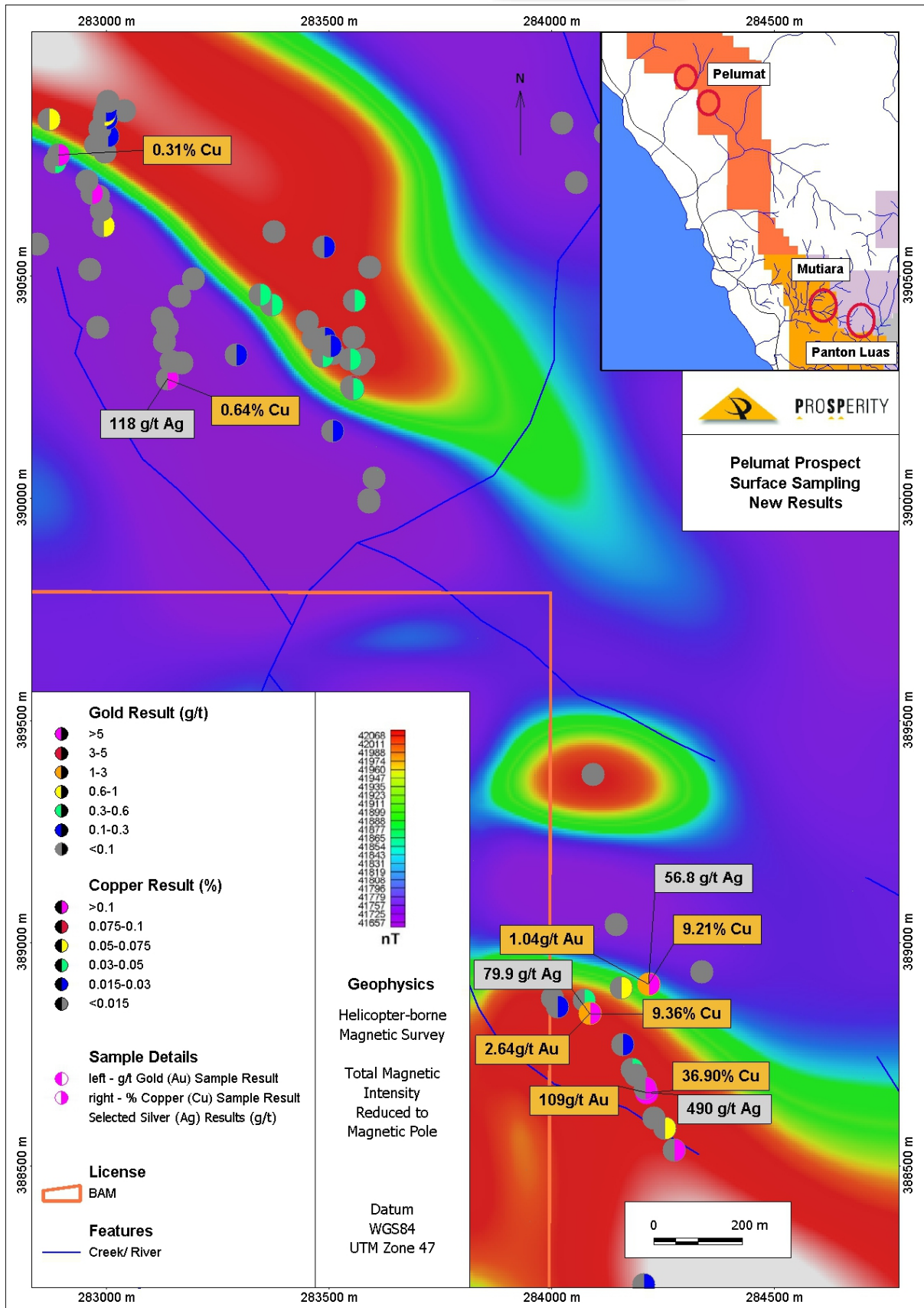


Figure 2: Pelumat gold, copper and selected silver surface samples

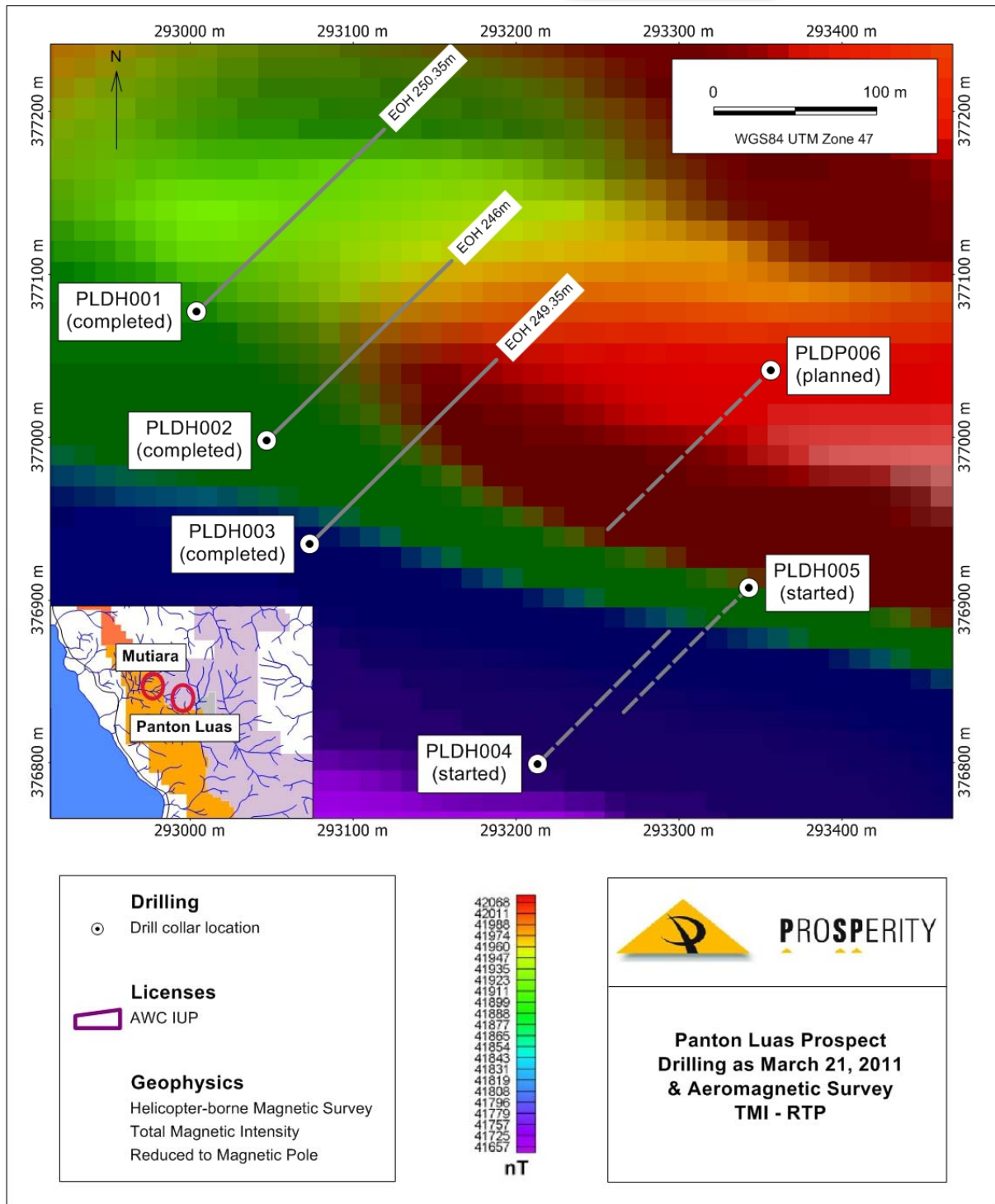


Figure 3: Pantan Luas Drill Hole Plan





Helimag Survey 3D Modelling

Prosperity completed a helicopter airborne magnetic survey of its Aceh licences last year to guide its regional exploration. The Company has undertaken 3D inversion modelling of the magnetic data to further assist in interpretation and to focus field geological reconnaissance mapping and sampling activities. The integration of the magnetic and field data has aided both geological and magnetic interpretation and refined understanding of the mineralisation controls and its setting. The complete set of images has been released to the Australian Securities Exchange on the 22nd February 2011 and the 23rd March 2011. A selection of the released images is shown below.

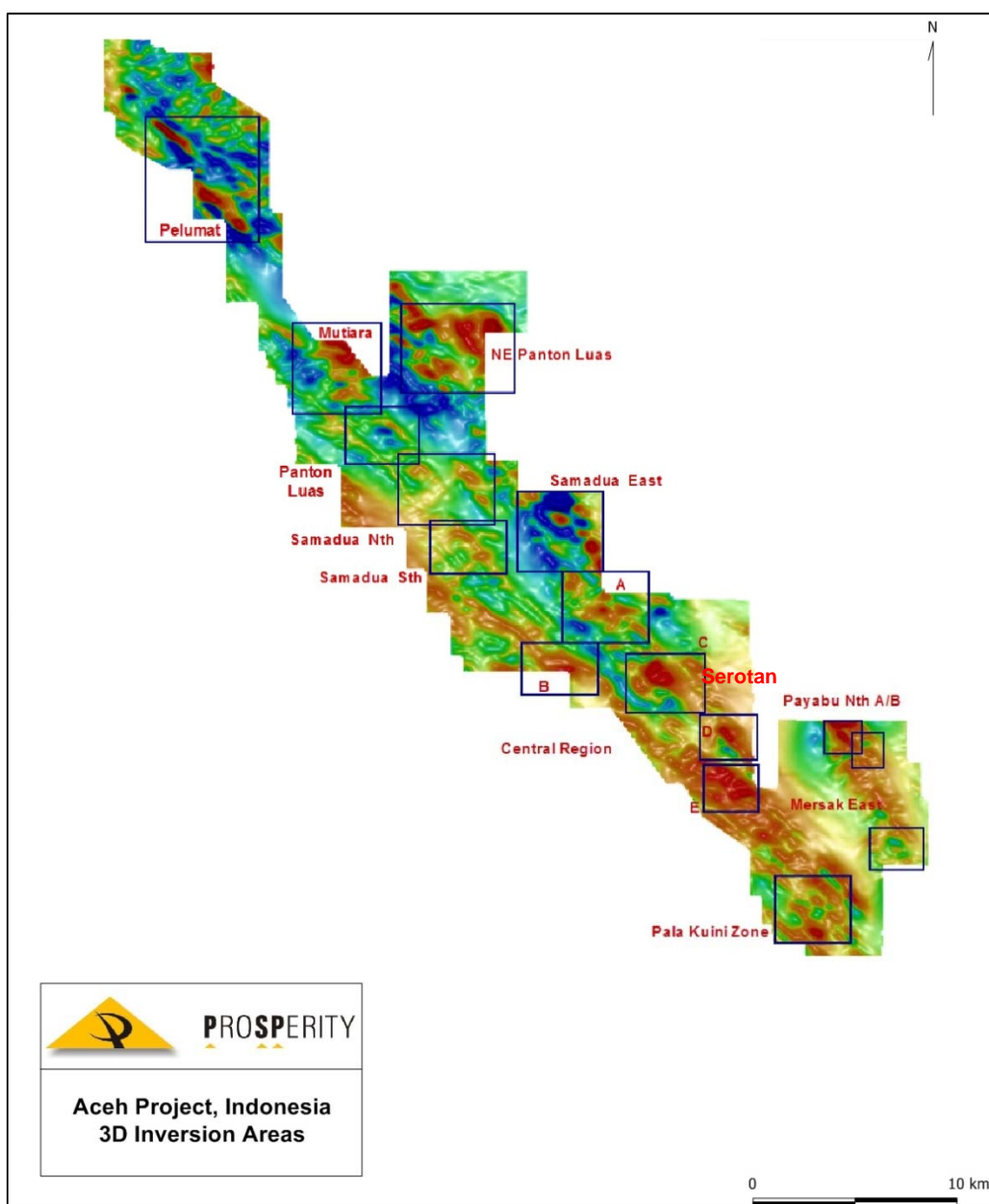
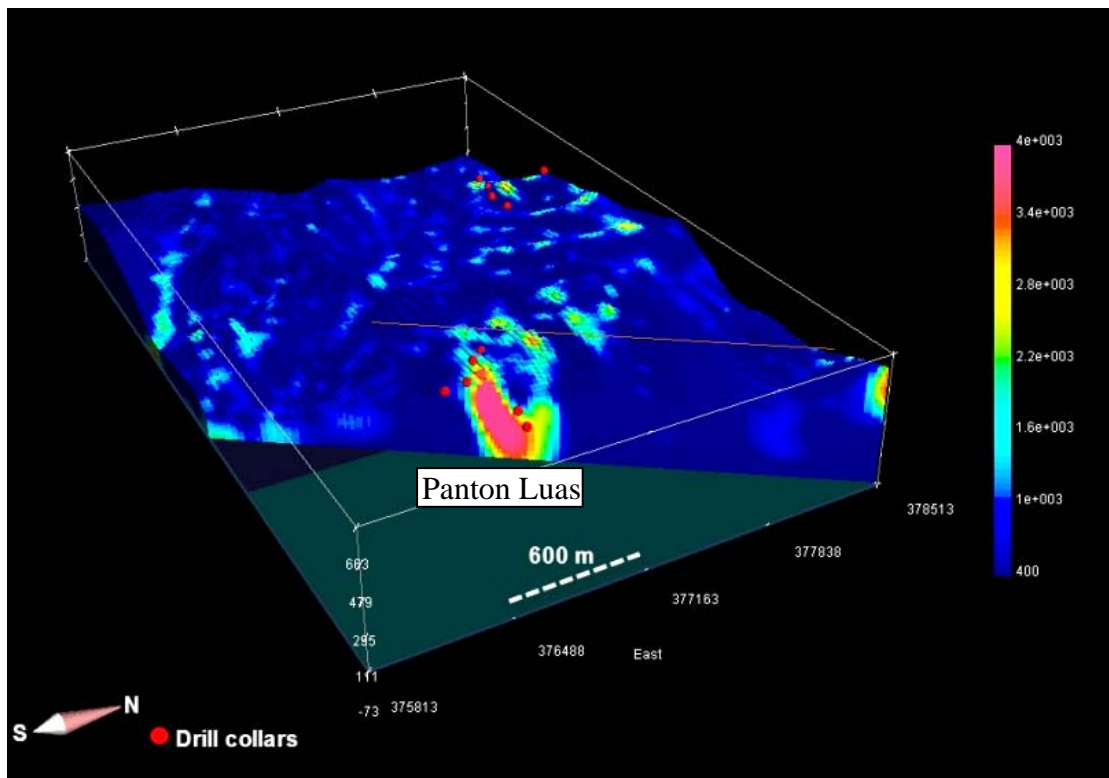
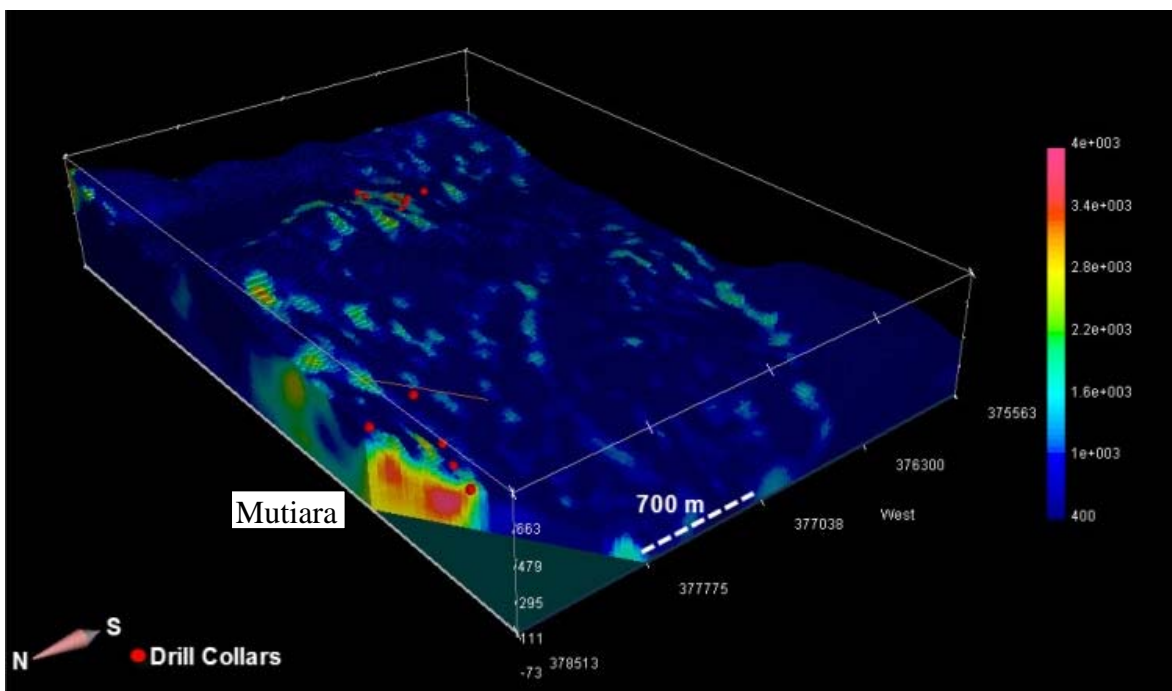


Figure 4: Relation of areas for 3D magnetic inversion processing



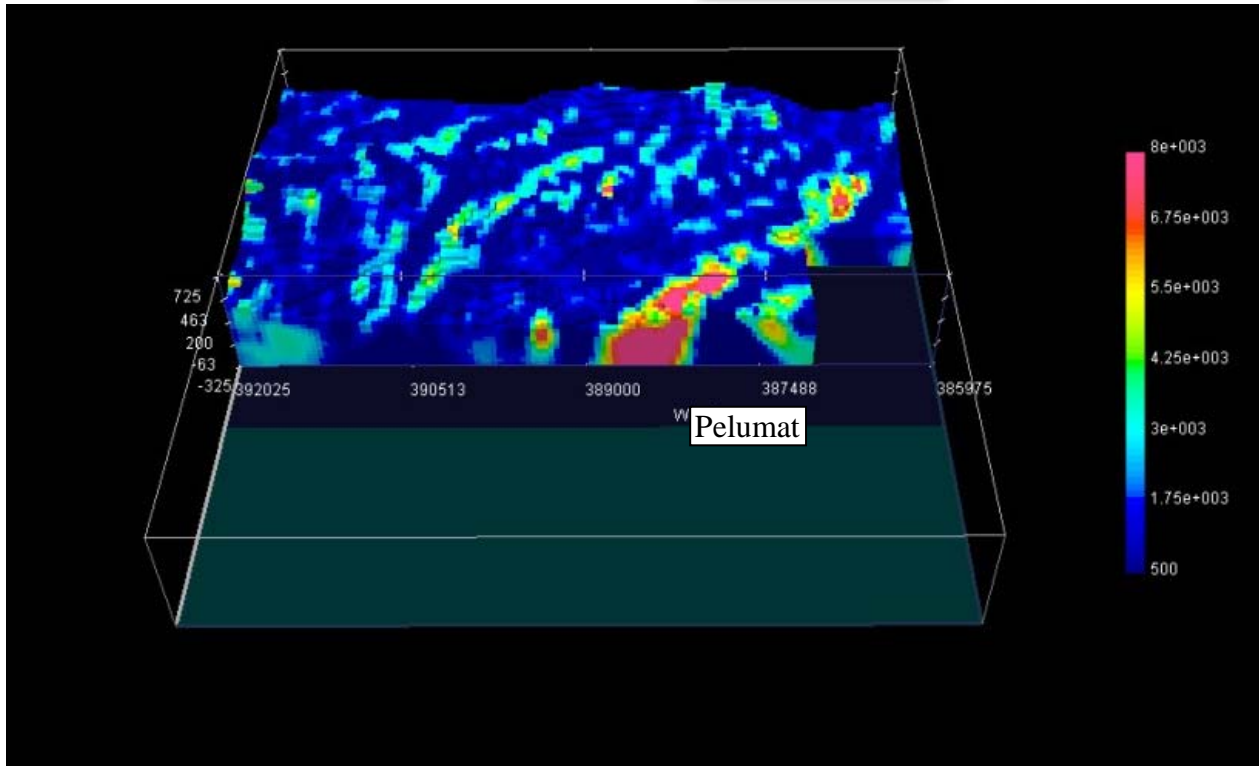


NE-SW Slice through 3D block model of Panton Luas showing distribution of hydrothermal magnetite alteration hosted in altered microdiorite intrusive. Red dots are proposed drill collars at topographic surface, (4 holes drilled to NE, 2 holes to SW). Block model shows drill hole locations proposed at Mutiara Prospect to WNW.

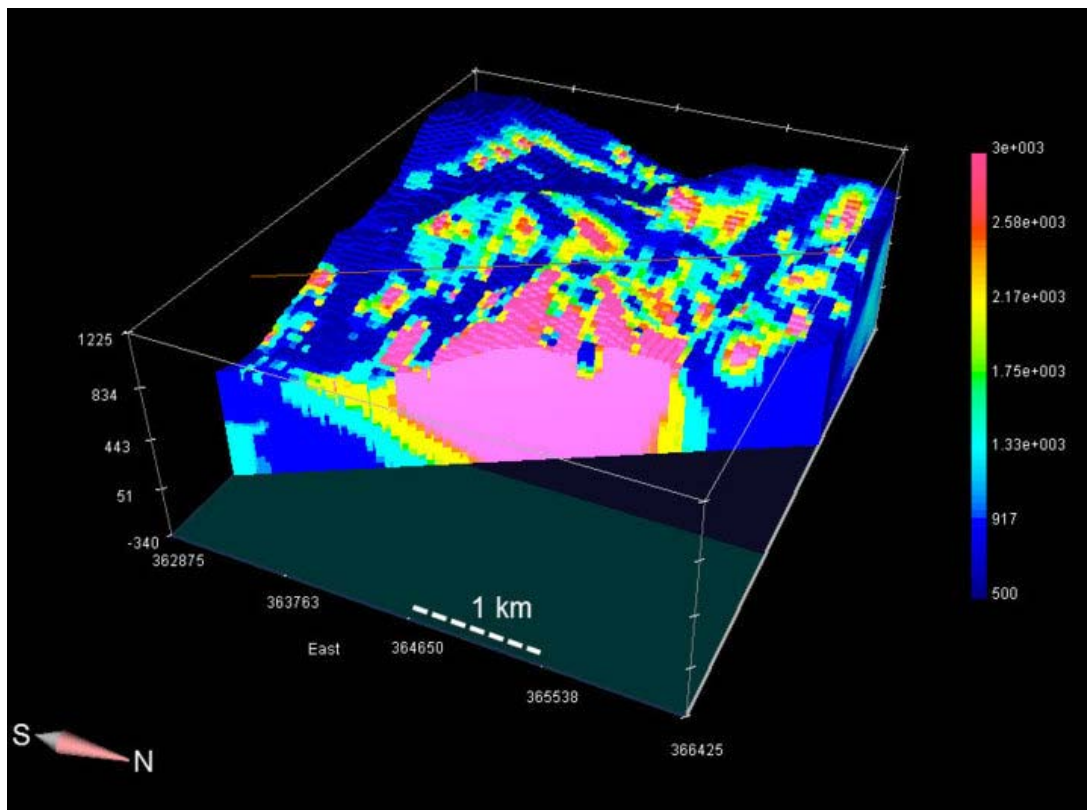


NE-SW slice through Mutiara magnetic anomaly showing proposed drill collars and depth continuity of elevated magnetic susceptibility. Five holes collars shown as red dots are proposed on axis of geological mapping, magnetics and geochemistry. The site is characterised by local high grade Cu-Au skarn and altered microdiorite.





Section through main magnetite bearing skarn zone at Pelumat illustrating its continuity to depth and width.



NE-SW Section through main magnetic anomaly at Serotan. The modeling suggests a series of east-west trending dykes are present, perhaps indicating an intrusive complex, but this requires field confirmation. Modeling also indicates significant persistence to depth for the feature.





Corporate

During the quarter, 32,000,000 unlisted options with an exercise price of \$0.05 were exercised raising \$1.6 million and a further 3,250,000 unlisted options with an exercise price of \$0.10 were exercised raising \$325,000.

No exploration fieldwork was carried out at the Tennant Creek or Yalgoo projects during the March 2011 quarter. A ground magnetic survey was completed at the Mt Gibson projects during the 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:

Mo Munshi
Chairman/Managing Director
Prosperity Resources Limited
+86 139 1017 5192

or visit www.prosperity.net.au

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")

31 MARCH 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 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	- - - (116)	- - - (579)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	40
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research & development tax refund	-	-
Net Operating Cash Flows	(97)	(539)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) Exploration and evaluation	- (697)	- (2,231)
Net Investing Cash Flows	(697)	(2,231)
1.13 Total operating and investing cash flows (carried forward)	(794)	(2,770)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(794)	(2,770)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,375	4,960
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(309)
1.18	Dividends paid	-	-
1.19	Proceeds for pending issue of shares	-	-
1.19	Exchange (loss) / gain realised	(4)	(3)
	Net financing cash flows	1,371	3,277
	Net increase (decrease) in cash held	577	1,878
1.20	Cash at beginning of quarter/year to date	1,816	515
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,393	2,393

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
1.2 3	Aggregate amount of payments to the parties included in item 1.2	47
1.2 4	Aggregate amount of loans to the parties included in item 1.10	-

1.2 Explanation necessary for an understanding of the transactions
5

Directors' remuneration \$31,925 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	549	549
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	536
4.2 Development	-
4.3 Production	-
4.4 Administration	194
Total	730

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	57	149
5.2 Deposits at call	2,336	1,667
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,393	1,816

+ 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			
6.2	Interests in mining tenements acquired or increased			

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	344,539,179	344,539,179	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	25,000,000 7,000,000 1,250,000 2,000,000	25,000,000 7,000,000 1,250,000 2,000,000	5 cents 5 cents 10 cents 10 cents 5 cents Unpaid 10 cents Unpaid
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)	250,000	-	15 cents	11 May 2011
	Unlisted (2)	1,000,000	-	10 cents	30 Jun 2011
	Unlisted (3)	*250,000	-	50 cents	31 Dec 2011
	Unlisted (4)	1,500,000	-	15 cents	28 Feb 2012
	Unlisted (5)	2,000,000	-	12 cents	31 Mar 2012
	Unlisted (6)	1,000,000	-	20 cents	31 Mar 2012
	Unlisted (7)	1,000,000	-	30 cents	31 Mar 2012
	Unlisted (8)	1,000,000	-	40 cents	31 Mar 2012
	Unlisted (9)	500,000	-	12 cents	31 Oct 2012
	Unlisted (10)	500,000	-	15 cents	31 Oct 2012
	Unlisted (11)	3,000,000	-	20 cents	30 Nov 2012
	Unlisted (12)	100,000	-	15 cents	31 Dec 2012
	Unlisted (13)	100,000	-	5 cents	28 Feb 2013
	Unlisted (14)	500,000	-	5 cents	28 Feb 2013
	Unlisted (15)	500,000	-	10 cents	28 Feb 2013
	Unlisted (16)	500,000	-	10 cents	28 Feb 2013
	Unlisted (17)	1,250,000	-	20 cents	31 Mar 2013
	Unlisted (18)	*2,500,000	-	25 cents	30 Jun 2013
	Unlisted (19)	500,000	-	30 cents	30 Jun 2013
	Unlisted (20)	*1,000,000	-	30 cents	30 Nov 2013
	Unlisted (21)	*1,500,000	-	30 cents	30 Nov 2014
	Unlisted (22)	*250,000	-	15 cents	Subject to market condition
	Unlisted (23)	*250,000	-	20 cents	“
	Unlisted (24)	*250,000	-	35 cents	“
7.8	Issued during quarter				
7.9	Exercised during quarter	3,250,000 32,000,000	- -	10 cents 5 cents	28 Feb 2011 28 Feb 2011
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

* - 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).

+ See chapter 19 for defined terms.

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

Sign here:Date: 29 April 2011
(Company Secretary)

Print name: G Taylor

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.

== == == == ==

+ See chapter 19 for defined terms.