



## HIGHLIGHTS

✚ Prosperity completed a three hole diamond drilling program at Kuini Prospect, with significant results as follow:

Hole PNGD020:

- From 166.2m: 63.6m @ 0.56g/t Au, 0.12% Cu

Hole PNGD022:

- From 36m: 39.8m @ 2.74 g/t Au, 0.45% Cu

✚ Field exploration and data compilation completed at both Pelumat and Samadua Prospects.

✚ An initial drill program has commenced at Pelumat after site access and road construction were completed.

✚ Four anomalies has been identified at Samadua Prospect, and an initial 4-6 drill hole program is being scheduled.

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**Capital Structure:**  
ASX Listed Shares: 346.5M  
ASX Unlisted Options: 14.45M

**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**

**Kuini Prospect (Prosperity 83.7%)**

**Gold – Copper**

During the quarter Prosperity announced promising drill results from its three hole drilling program to test the full extent of the magnetic anomaly at its Kuini Prospect in Southern Aceh, Indonesia. The Kuini Prospect is one of ten known porphyry intrusive and related skarn targets along 60 kilometres of strike length in Prosperity’s 410 square kilometre Aceh project (figure 1).

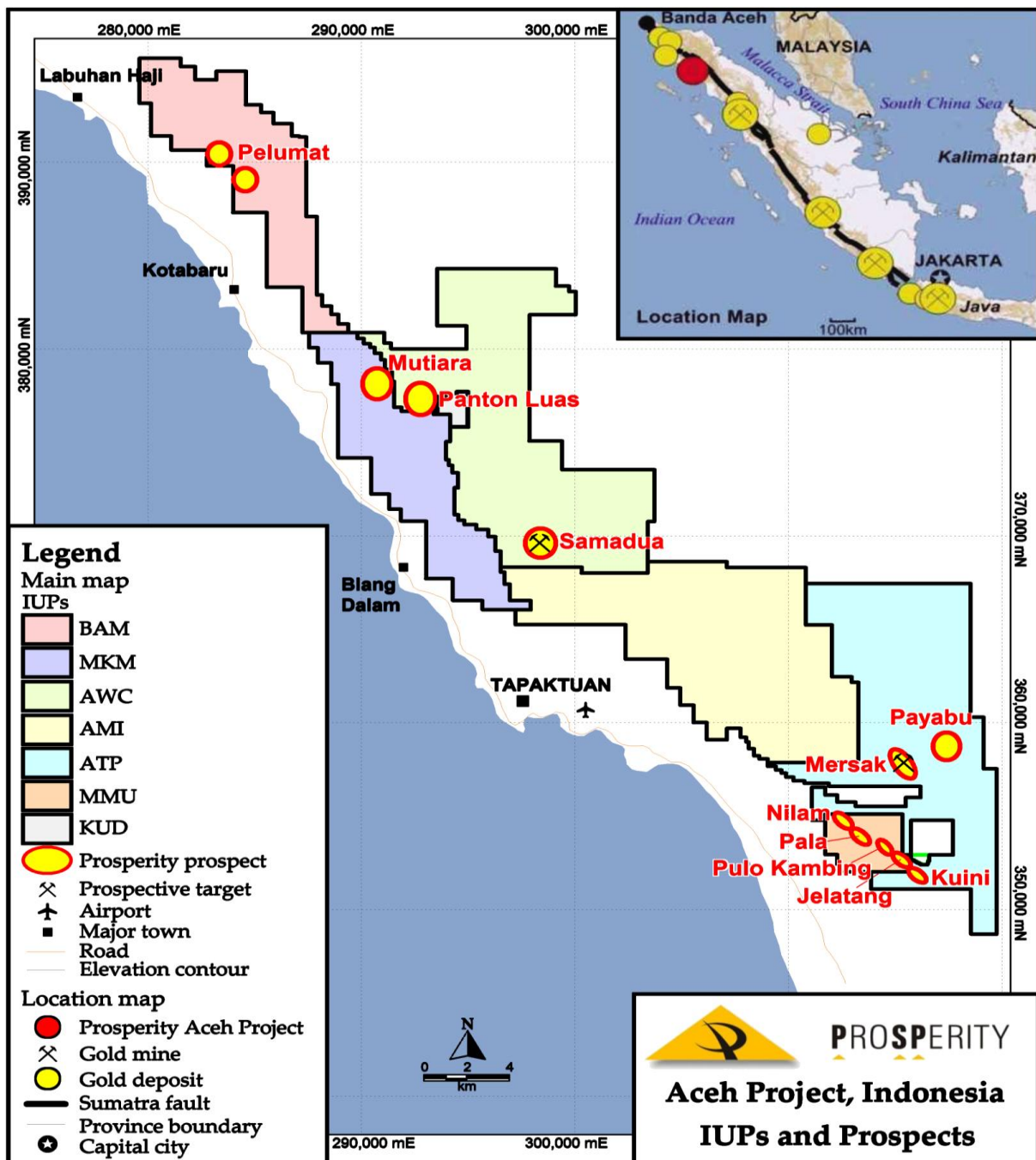


Figure 1: Prosperity’s land package in Aceh



The mineralisation at the site occurs predominantly in magnetite-rich Cu-Au bearing endoskarn hosted in magnetite bearing microdiorite intrusive which together have a strong magnetic signature. The host intrusives and mineralisation skarns dip steeply north east and appear structurally confined within a lithological package that includes sedimentary units (sandstone, dark carbonaceous mudstone and limestone (marble) units) in structural and intrusive juxtaposition with fine and medium grained granodiorite and quartz diorite.

Drill hole locations were designed to assist with first pass geological interpretation of the prospect, to verify the interpreted location of the causative magnetic body derived from the 3D magnetic inversion model and as a test of the size and character of any skarn or other mineralised body intersected at depth. In addition a further objective was to obtain evidence that might demonstrate the potential for a porphyry system at depth as a source for the skarn alteration and mineralisation (figure 2 and 3).

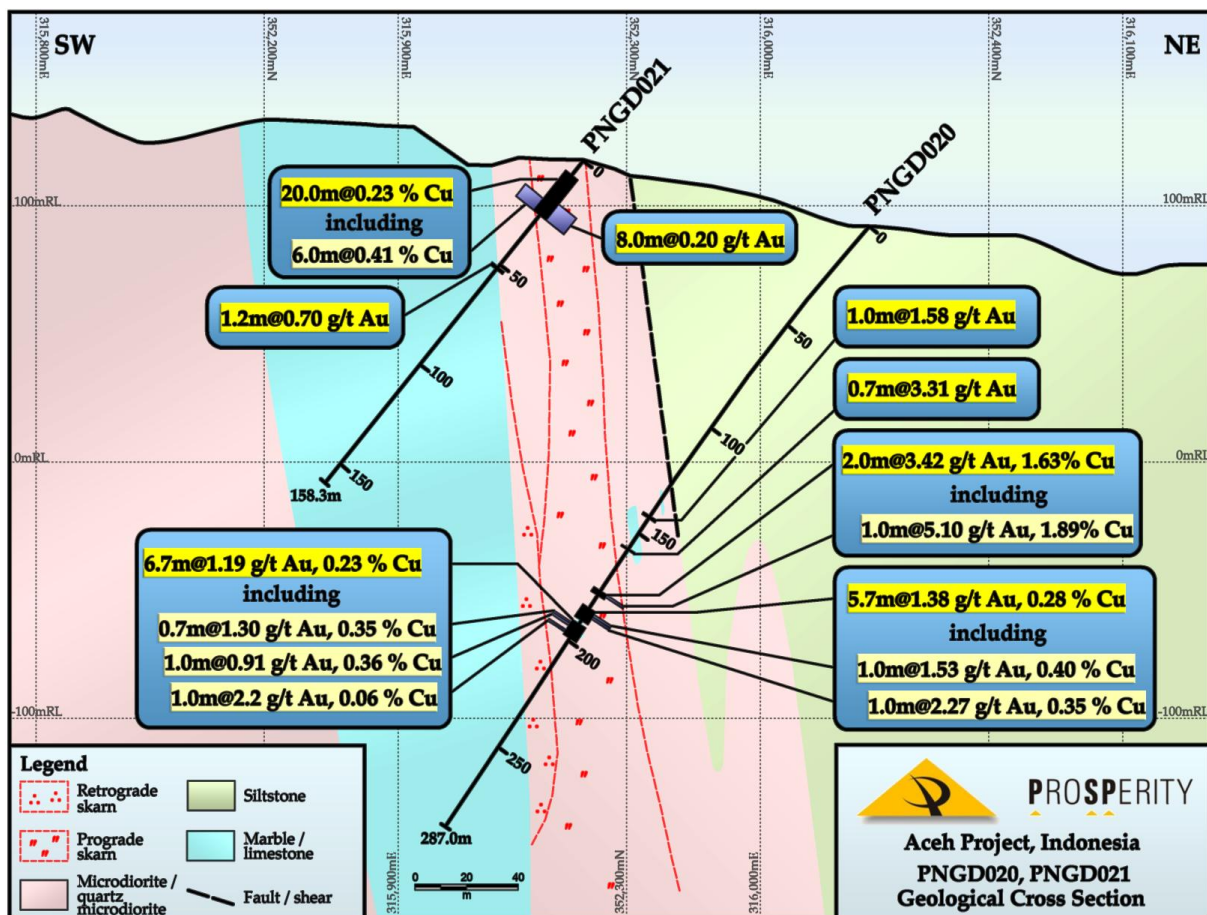


Figure 2: Summary section of drill holes PNGD020 and PNGD021

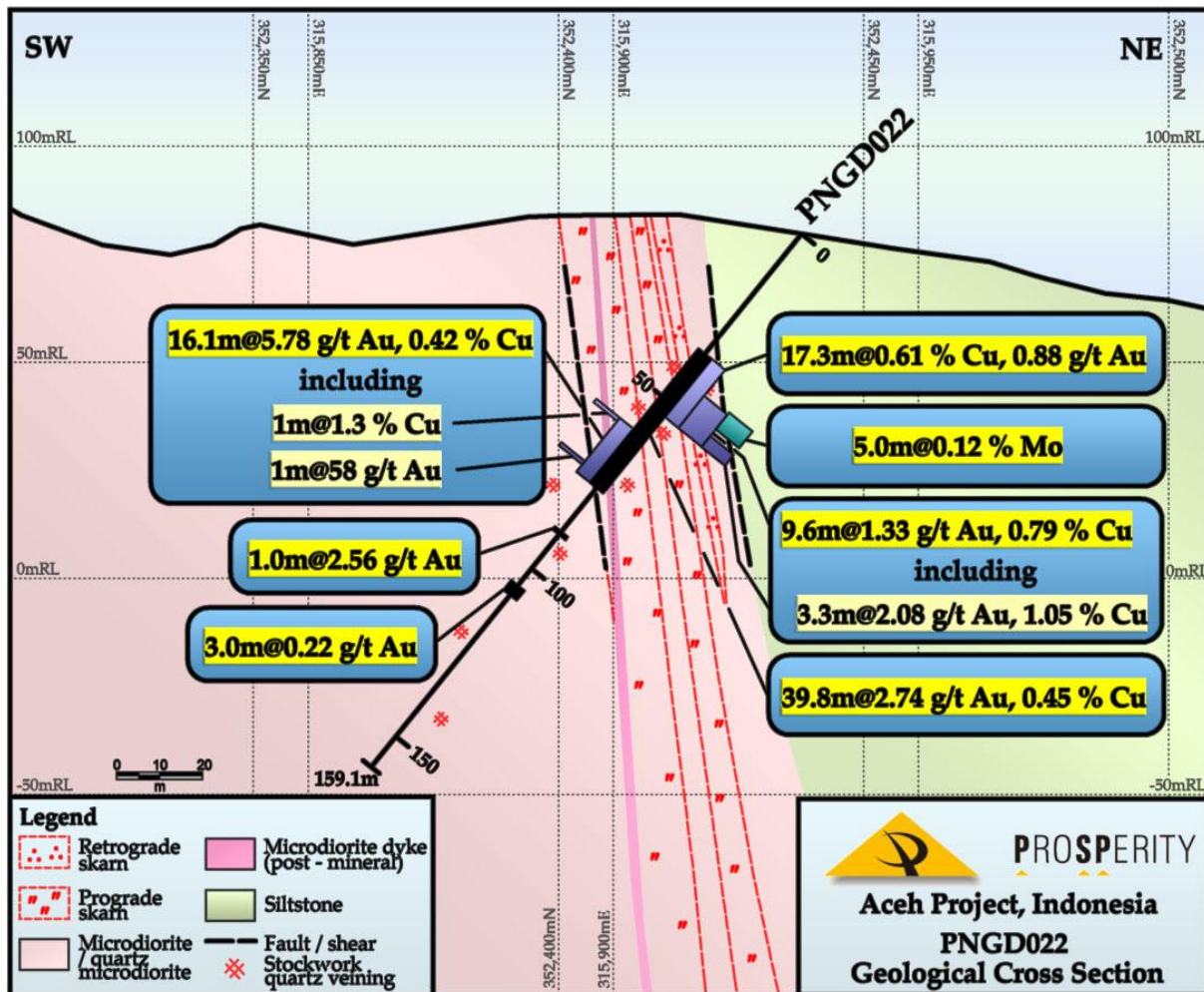


Figure 3: Summary section of drill hole PNGD022 showing geology and significant gold-copper-molybdenum intersections.

Hole PNGD022 is notable for the approximately 40 metre intersection containing high grade gold, copper and molybdenum associated with skarn and stockwork veins. The high grade molybdenum zone peaking at 0.24% Mo over 1 metre within a 5 metre intercept and associated silica bearing stockwork suggests a vector toward to a mineralisation source. An intercept of 16.1 metre @ 5.78g/t Au and 0.42% Cu including a 1 metre intercept of 58 g/t Au was also noted.

**Pelumat Prospect (Prosperity 73%)**

**Gold - Copper - Molybdenum**

Field exploration including geological mapping and geochemical sampling was completed and released to the market on 13 February 2012. High gold and copper grades, some with associated high molybdenum anomalism, have been returned from rock chip, float, channel and soil sampling. The area (900 X 300 metres) and level of anomalism is comparable to that determined for the Kuini Project above.

Prosperity commenced drilling on the 4<sup>th</sup> of March to test a board zone of highly anomalous Au-Cu-Mo values in soil and rock chip samples associated with





outcropping skarns and altered microdiorite intrusive. These rocks are spatially closely associated with the margins of an intense magnetic feature assumed to be a magnetite-rich microdiorite intrusive defined from Prosperity's helicopter-borne magnetic survey through the region. The core of the magnetic target will be tested by additional drilling at a later stage.

Detailed logging and analytical sampling will be undertaken when each hole is completed and results will be reported when the analysis have been received and assessed.

**Samudua Project (Prosperity 83.7%)**

**Gold - Copper - Molybdenum**

A sampling program was undertaken and completed during the March 2012 quarter. Significant gold and copper grades have been returned from rock chip, float and channel and soil sampling. The work program to date has generated some potential drill targets, and a drill program is current under review.

**Corporate**

A new loan facility of USD1 million has been provided by Resource Global Finance Ltd for working capital purposes.

Prosperity held its Annual General Meeting (AGM) on the 18 January 2012 with all resolutions passed on a show of hands and by proxy.

During the quarter, PT Prosperity Surya Persada (PT PSP) earned in an additional 29% equity interest in the BAM and MKM exploration IUPs in Aceh through the expenditure of US\$750,000 each, bringing total equity interest to 80%.

No exploration fieldwork was carried out at the Tennant Creek, Mount Gibson or Yalgoo projects during the March 2012 quarter.

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 Dr. Neil F. Rutherford. Dr. Rutherford is a Fellow of The Australian Institute of Geoscientists and is a full time employee of Rutherford Mineral Resource Consultants, mineral industry consultants. He has sufficient experience which 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. Dr. Neil Rutherford has consented to the inclusion in this report of the matters based on this information in the form and context in which it appears.



## Appendix 5B

### Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

**Prosperity Resources Limited**

ABN

**60 103 280 235**

Quarter ended ("current quarter")

**31 March 2012**

#### 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 & evaluation (b) development (c) production (d) administration	(587)	(1,879)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	-	20
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(719)</b>	<b>(2,255)</b>
<b>Cash flows related to investing activities</b>		
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)		
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	<b>(719)</b>	<b>(2,255)</b>

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Appendix 5B  
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(719)	(2,255)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	550
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	463	463
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	463	1,013
	<b>Net increase (decrease) in cash held</b>	(256)	(1,242)
1.20	Cash at beginning of quarter/year to date	384	1,370
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	128	128

**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	67
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 salaries and consulting fees for services rendered

**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

NA

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

NA

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Appendix 5B  
Mining exploration entity quarterly report

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### 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	1,471	990
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	362
4.2 Development	
4.3 Production	
4.4 Administration	208
<b>Total</b>	<b>570</b>

### 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	128	384
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Loan facilities available	481	
<b>Total: cash at end of quarter</b> (item 1.22)	<b>609</b>	<b>384</b>

### 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			

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Appendix 5B  
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased	PT MKM	Acquired	51%	80%
	PT BAM	Acquired	51%	80%

**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 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	346,539,179	346,539,179		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,000,000	2,000,000		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

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Appendix 5B  
Mining exploration entity quarterly report

7.7	<b>Options</b>	<i>Total number</i>	<i>Number quoted</i>	<i>Exercise price</i>	<i>Expiry date</i>
	Unlisted (1)	500,000	-	12 cents	31 Oct 2012
	Unlisted (2)	500,000	-	15 cents	31 Oct 2012
	Unlisted (3)	3,000,000	-	20 cents	30 Nov 2012
	Unlisted (4)	100,000	-	15 cents	31 Dec 2012
	Unlisted (5)	2,000,000	-	4 cents	31 Dec 2012
	Unlisted (6)	100,000	-	5 cents	28 Feb 2013
	Unlisted (7)	500,000	-	5 cents	28 Feb 2013
	Unlisted (8)	500,000	-	10 cents	28 Feb 2013
	Unlisted (9)	500,000	-	10 cents	28 Feb 2013
	Unlisted (10)	1,250,000	-	20 cents	31 Mar 2013
	Unlisted (11)	2,500,000	-	25 cents	30 Jun 2013
	Unlisted (12)	500,000	-	30 cents	30 Jun 2013
	Unlisted (13)	1,000,000	-	30 cents	30 Nov 2013
	Unlisted (14)	1,500,000	-	30 cents	30 Nov 2014
7.8	Issued during quarter	2,000,000	-	4 cents	31 Dec 2012
7.9	Exercised during quarter				
7.10	Expired during quarter	1,500,000	-	15 cents	28 Feb 2012
		2,000,000	-	12 cents	31 Mar 2012
		1,000,000	-	20 cents	31 Mar 2012
		1,000,000	-	30 cents	31 Mar 2012
		1,000,000	-	40 cents	31 Mar 2012
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

### ***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 5).

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

Sign here: .....  
(Company secretary)

Date: 30 April 2012

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Print name: G Taylor

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## 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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