



**PROSPERITY**

**Prosperity Resources Limited**  
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ASX Compliance Pty Ltd  
2 The Esplanade  
PERTH WA 6000

Att: Tonia Oliveira  
Senior Adviser, Listings Compliance (Perth)

9 August 2013

Dear Tonia

**Re: ASX Query**

Further to your letter of 7 August 2013, Prosperity Resources Ltd (“the Company”) responds as follows:

- 1. It is possible to conclude on the basis of the information provided that if the Company were to expend cash as indicated by the Appendix 5B, the Company will have insufficient cash to fund its activities for the next quarter. Is this the case, or are there other factors that should be taken into account in assessing the Company’s position?*

No, the Company is actively collecting outstanding debt of \$200,000 from co-sharing expenses incurred by third parties in the past to fund its activities for the next quarter.

- 2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?*

Yes, the Company expects to have similar, if not lower negative operating cash flows in the future. Internally, the Company has taken steps to cut down on all operating expenses.

- 3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?*

The Company is actively exploring different options, including looking for joint venture partners for our existing projects as well as seeking additional funding from the equity market. Till date, nothing has been finalised.



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***4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?***

The Company confirms that it is in compliance with the listing rules and in particular listing rule 3.1.

***5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.***

As at 30 June 2013, the Company has unaudited total assets of \$7.9 million and total liabilities of \$1.3 million. The Company confirms that it is in compliance with listing rule 12.2.

Yours faithfully

Lionel Liew  
Company Secretary



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7 August 2013

Mr Garry Taylor  
Company Secretary  
Prosperity Resources Limited

By email: [garry.taylor@prosperity.net.au](mailto:garry.taylor@prosperity.net.au)

Dear Garry

**Prosperity Resources Limited (the "Company")**

I refer to the Company's Quarterly Report in the form of an Appendix 5B for the period ended 30 June 2013 released to ASX Limited ("ASX") on 1 August 2013 (the "Appendix 5B").

ASX notes that the Company has reported the following in the Appendix 5B.

1. Receipts from product sales and debtors of \$0.
2. Net negative operating cash flows for the quarter of \$72,000.
3. Cash at end of quarter of \$4,000.
4. Estimated cash outflows for the next quarter of \$50,000.

In light of the information contained in the Appendix 5B, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to expend cash as indicated by the Appendix 5B, the Company will have insufficient cash to fund its activities for the next quarter. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 titled "Continuous disclosure: listing rules 3.1 – 3.1B".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by email to [tonia.oliveira@asx.com.au](mailto:tonia.oliveira@asx.com.au). It should not be sent to the ASX Market Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **9.00am (WST) on Monday 12 August 2013**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me on +61 8 9224 0029.

Yours sincerely

*(Sent by electronic mail without signature)*

Tonia Oliveira  
Senior Adviser, Listings Compliance (Perth)