



HIGHLIGHTS

- **Encouraging gold copper results from drilling at Pinang-Pinang porphyry target**

Best results include:

- 22 metres @ 1.12 g/t gold and 0.40% copper from 32 metres within 66 metres @ 0.52 g/t gold and 0.18% copper in hole PNGD005
- 9 metres @ 1.68 g/t gold and 0.54% copper from 6 metres within 22 metres @ 1.12 g/t gold and 0.46% copper in hole PNGD003
- 7 metres @ 1.13 g/t gold and 0.35% copper from 152 metres within 34 metres @ 0.40 g/t gold and 0.13 % copper in hole PNGD016
- 44 metres @ 0.37 g/t gold and 0.11% copper from 123 metres in hole PNGD008
- 8 metres @ 2.12 g/t gold and 0.18% copper from 53 metres in hole PNGD015
- 6 metres @ 3.62 g/t gold and 0.06% copper from 50 metres in hole PNGD003
- **Applications in place for three new 10,000 ha exploration IUPs in Aceh to further consolidate Prosperity's land package**
- **Exercise of 10 million options by strategic investor at \$0.05 exercise price raises \$500,000**

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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

Pinang-Pinang (Prosperity right to acquire 73%) Pala Prospect

Gold – Copper

During the quarter, Prosperity released the results of the first drilling at Pala in the **Pinang-Pinang gold-copper project** in the Aceh Province, Indonesia.

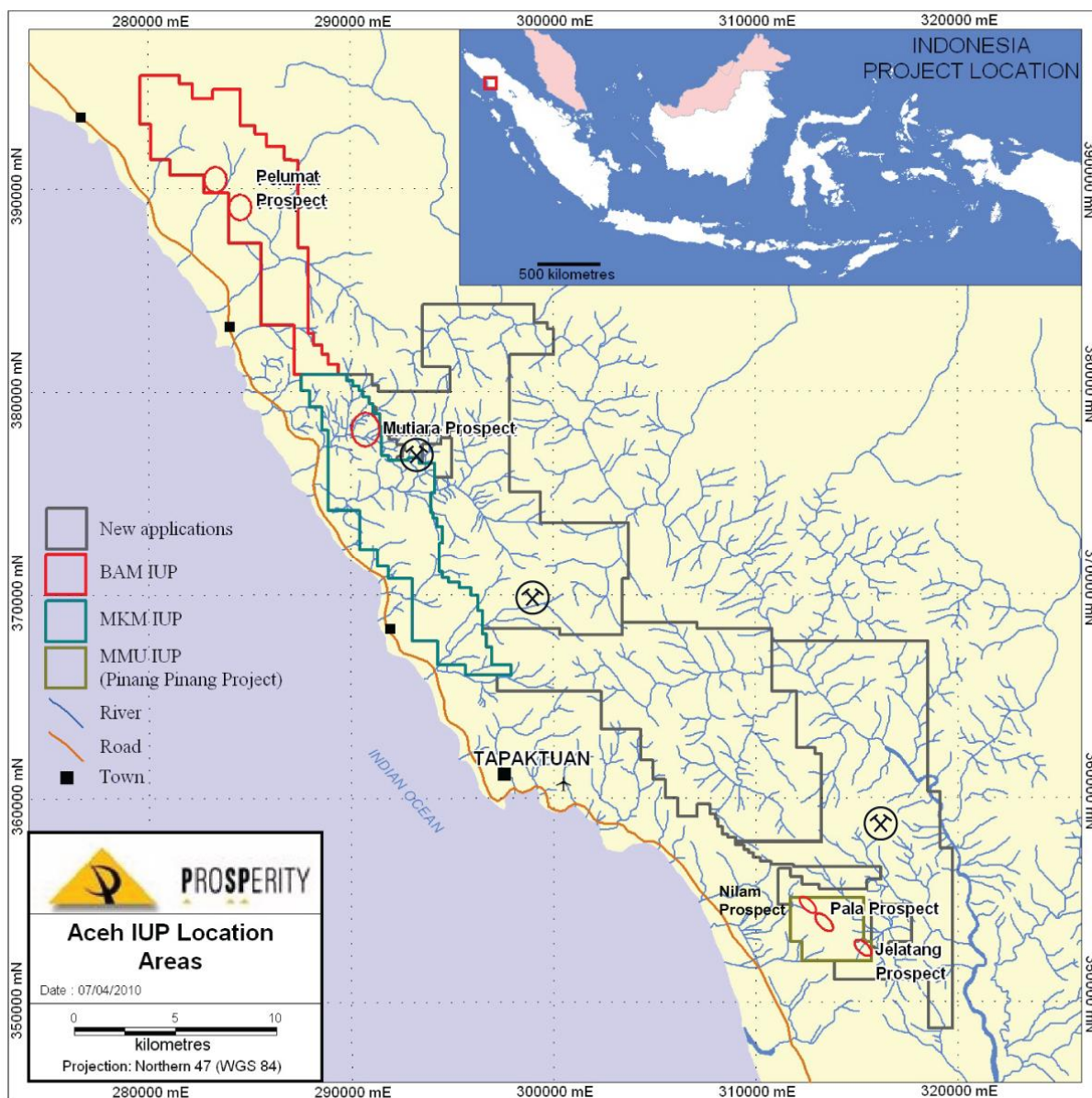


Figure 1: Prosperity's land package in Aceh

The Pala Prospect represents the first of three mineralised centres identified within the MMU IUP and the first drill tested to date within a complex in excess of six kilometres long. Drilling has tested the mineralised zone at Pala at depths between



60 and 150 metres below surface. The gold and copper results from the drilling program are very encouraging with best results including;

- 22 metres @ 1.12 g/t gold and 0.40% copper from 32 metres within 66 metres @ 0.52 g/t gold and 0.18% copper in hole PNGD005

Mineralisation is hosted wholly within a multi-phase, vertically extensive, microdiorite complex which intrudes older limestone, granodiorite, and sedimentary country rocks, within a broadly northwest orientated structural corridor.

Veinlet and breccia-hosted pyrite-chalcopyrite mineralisation, intersected to date over a 250 x 250 m area (and open in all directions), post-dates domains of structurally and lithologically controlled, higher temperature microdiorite-hosted silica-magnetite-sulphide(±sericite-chlorite-epidote) endoskarn, and lesser granodiorite-hosted silica-sericite-epidote-sulphide(±garnet-diopside) endoskarn. These assemblages, high pyrite to chalcopyrite sulphide ratios, and the predominating style of veinlet and fracture hosted mineralisation (over a disseminated style) suggests only the very top of a potentially large and vertically extensive porphyry system has been drill tested to date. A possible interpretation of the Pala drilling results is shown in figure 2.

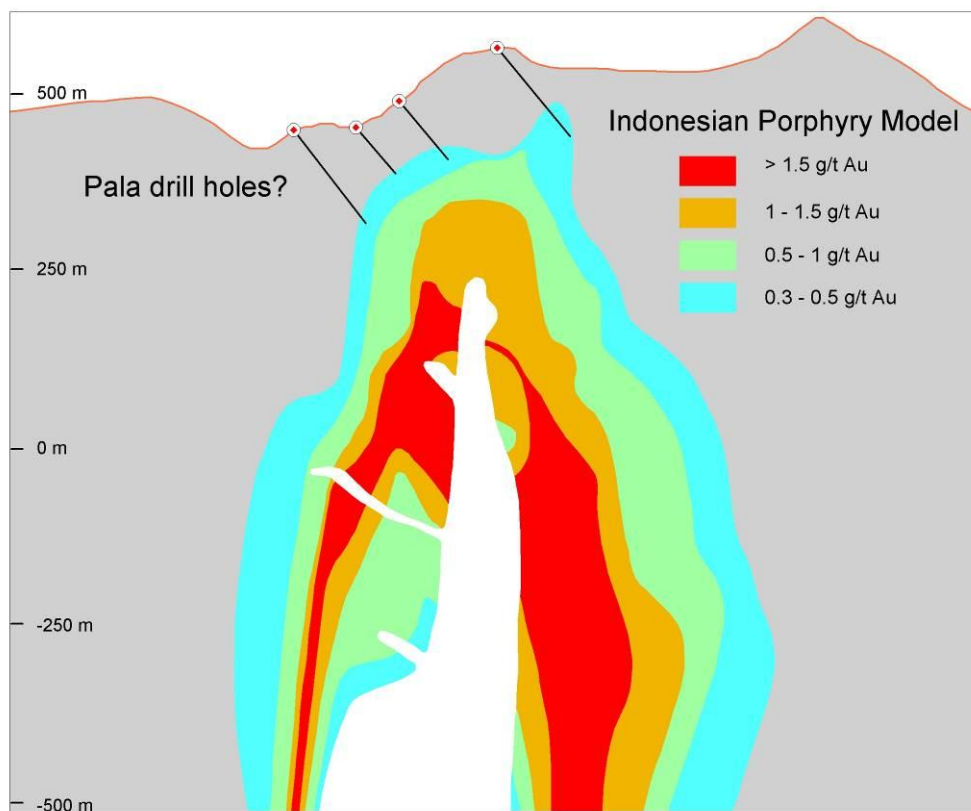


Figure 2 Possible interpretation of Pala drilling results



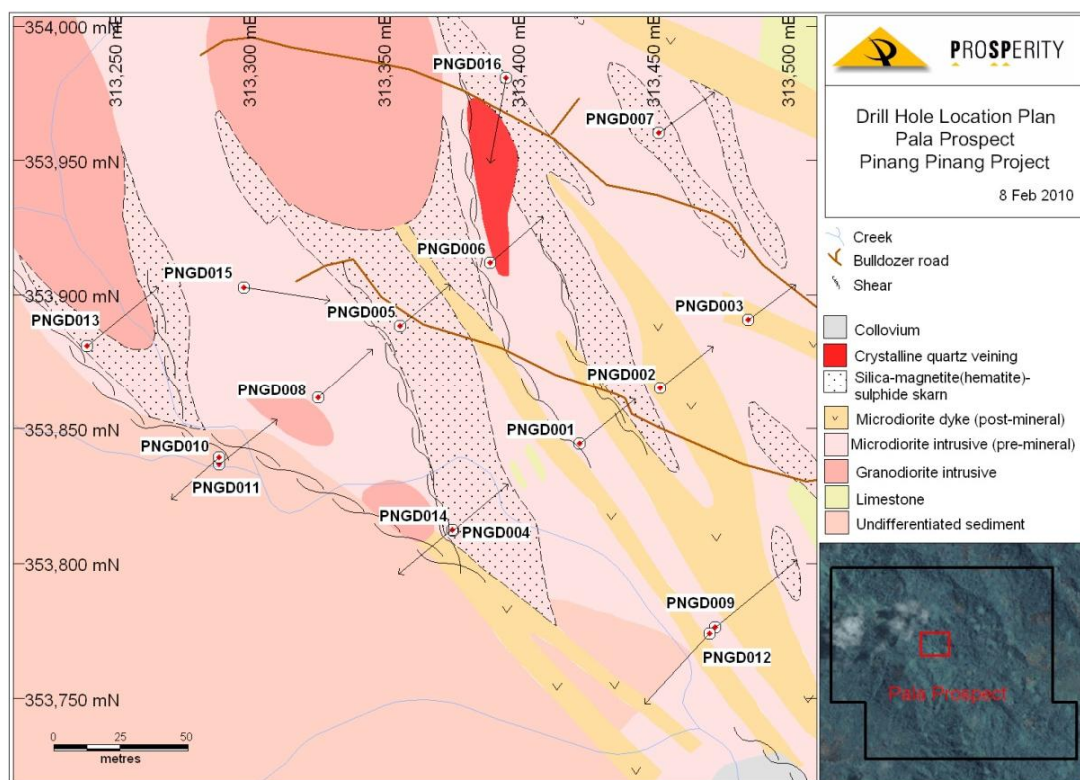


Figure 3: Pala Drilling Plan View

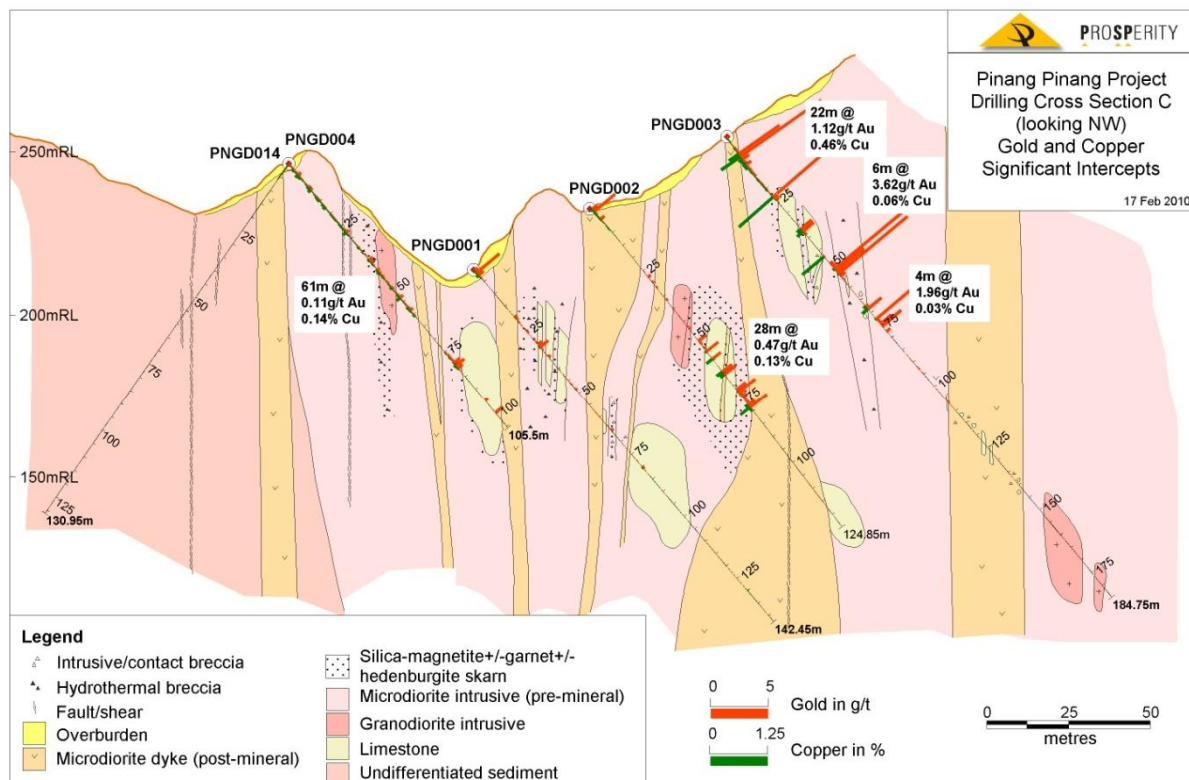


Figure 4: Cross Section C

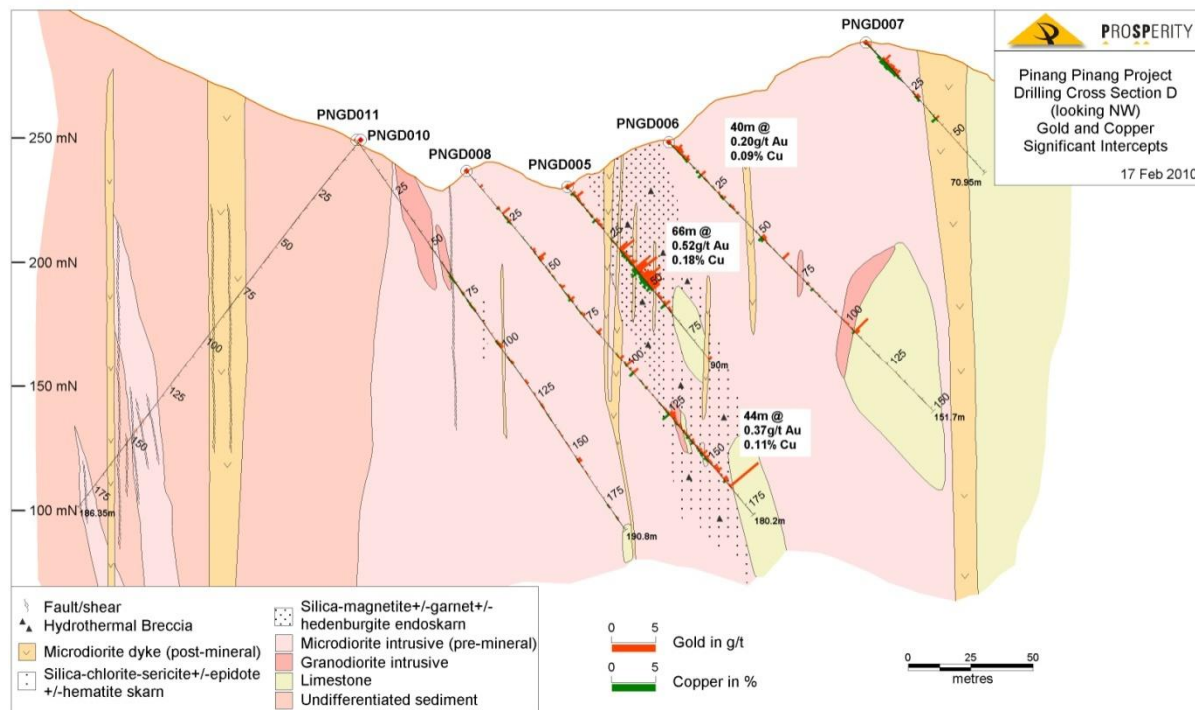


Figure 5: Cross Section D

PINANG PINANG PROJECT DRILLING RESULTS - SIGNIFICANT INTERCEPTS PALA PROSPECT								
Hole No	Prospect	Collar Easting	Collar Northing	Interval	From	To	Au (g/T)	Cu(%)
PNGD002	Pala	313453	353865	28	52	80	0.47	0.13
			including	8	71	79	0.90	0.20
PNGD003	Pala	313486	353890	22	4	26	1.12	0.46
			including	9	6	15	1.68	0.54
PNGD003	Pala	313486	353890	6	50	56	3.62	0.06
PNGD003	Pala	313486	353890	4	72	76	1.96	0.03
PNGD004	Pala	313376	353812	61	0	61	0.11	0.14
PNGD005	Pala	313356	353888	66	0	66	0.52	0.18
			including	22	32	54	1.14	0.40
PNGD006	Pala	313390	353912	40	0	40	0.20	0.09
PNGD008	Pala	313326	353862	44	123	167	0.37	0.11
PNGD013	Pala	313240	353881	16	44	61	0.41	0.18
			including	4	45	49	1.20	0.67
PNGD015	Pala	313298	353902	8	53	61	2.12	0.18
PNGD016	Pala	313395	353980	34	152	186	0.40	0.13
			including	7	152	159	1.13	0.35

Grid Coordinates UTM WGS84 Zone 47 North. Gold analysis was undertaken by Intertek Jakarta by fire assay analysis. Copper was analysed by ICP following acid digest.

1 All intervals reported as down hole lengths

2 Lower cut off of 0.05g/t Au and 0.05% Cu used

3 A maximum of 6 metres consecutive waste material used per reported intersection. Waste material is defined as a maximum gap in mineralisation of less than 0.05 g/t Au or 0.05% Cu



Further Land Acquisitions in Aceh

Prosperity has applied for three new exploration IUPs in Aceh as shown in Figure 1. Each exploration IUP is 10,000 hectares and these licenses will consolidate the Company's land package over a 50 kilometre strike length of highly prospective under-explored tenure. These highly prospective licenses are located within the same geological belt of island arc-related intrusive rocks which run along strike 50 kilometres in a northwest direction from the Pinang-Pinang Project. The Company expects the applications for the IUPs to be processed during May 2010.

Tennant Creek (Prosperity 100%)

Gold - Copper

Prosperity has over 220 square kilometres of highly prospective tenure in the underexplored Tennant Creek region. During the quarter Mr Tim Hronsky completed a comprehensive review of the Tennant Creek land package which led to the generation of a number of prospective targets. The Company is developing an exploration program to test these targets.

Corporate

Prosperity Resources Limited is an exploration company with a strategic focus in Indonesia, specifically on the recently acquired Pinang-Pinang project in Aceh.

The Company received \$1,000,000 from the exercise of 10 million unlisted options with an exercise price of \$0.10 by the Inner Mongolia Tai Xi Group.

The Company repaid a \$500,000 loan from Resource Global Finance Ltd (RGF) during the March 2010 quarter.

Prosperity raised \$500,000 through the exercise of 10 million unlisted options at an exercise price of \$0.05 by a strategic investor. The Company issued five million unlisted options exercisable at \$0.02 per share expiring on 30th September 2010 under the terms of a loan agreement with RGF.

No exploration fieldwork was carried out at the Mt Gibson or Yalgoo projects during the March 2010 quarter. The Company continues to seek expressions of interest with a view to divest these projects.

For further information please contact:

Mo Munshi

Chairman/Managing Director

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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.



Rule 5.3

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 (öcurrent quarterö)

31 MARCH 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$Aö000	Year to date (9 months) \$Aö000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(143)	(565)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	19
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		(140)	59
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	-	130
	(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	(663)	(2,280)
Net Investing Cash Flows		(663)	(2,156)
1.13	Total operating and investing cash flows (carried forward)	(803)	(2,097)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(803)	(2,097)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc exercised this quarter	700	
	Options exercised 31 December 2009, funds received this quarter	1,000	3,000
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	665
1.17	Repayment of borrowings	(500)	(500)
1.18	Dividends paid	-	-
1.19	Proceeds for pending issue of shares	-	-
1.19	Other (Exchange gain realised)	30	30
	Net financing cash flows	1,230	3,195
	Net increase (decrease) in cash held	427	1,098
1.20	Cash at beginning of quarter/year to date	1,040	369
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,467	1,467

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

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$Aø000	Amount used \$Aø000
3.1 Loan facilities	961	961
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$Aø000
4.1 Exploration and evaluation	353
4.2 Development	-
Total	353

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 \$Aø000	Previous quarter \$Aø000
5.1 Cash on hand and at bank	562	527
5.2 Deposits at call	905	513
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,467	1,040

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	E59/1112	1 out of 3 existing blocks relinquished	100%	67%
6.2	Interests in mining tenements acquired or increased	PT MMU PT MKM PT BAM	Option to acquire Option to acquire Option to acquire	- - -	- - -

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	14,000,000	14,000,000	
	(b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities			
	<i>(description)</i>			

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	5,000,000	-	2 cents	30 Sep 2010
7.9	Exercised during quarter	4,000,000 10,000,000	- -	5 cents 5 cents	28 Feb 2010 31 Mar 2010
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: í í í íDate: 29 April 2010
(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.

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