



## HIGHLIGHTS

- + First drilling completed at Panton Luas Prospect in Aceh, Indonesia**
- o Gold intersections reported from drilling at Panton Luas including:**
  - o Hole PLDH001: 6m @ 2.05 g/t gold**
  - o Hole PLDH002: 2m @ 2.36 g/t gold**
  - o Hole PLDH005: 10m @ 1.14 g/t gold**
- + Deeper drilling required to further test for porphyry mineralisation at Panton Luas**
- + Drilling at the Kuini Prospect to the south of Panton Luas within the 410 km<sup>2</sup> land package is being scheduled**
- + Ongoing drilling locally will move to the associated copper rich targets at Mutiara and Pelumat. This will begin the wider assessment for porphyry and skarn hosted mineralisation in the Panton Luas Mutiara zone**

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**Capital Structure:**  
ASX Listed Shares: 344.5M  
ASX Unlisted Options: 19.9M

**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*



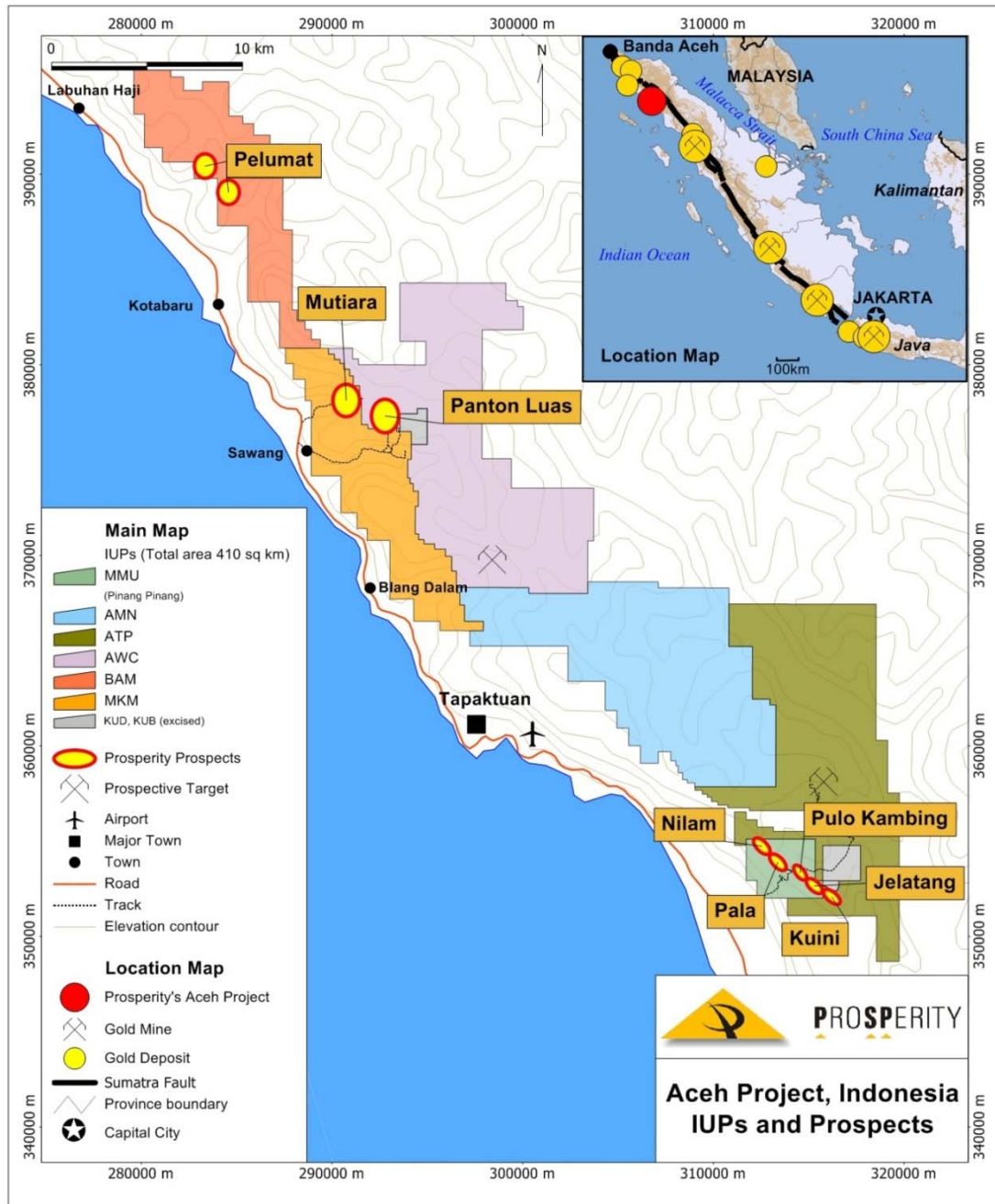


**Projects**

**Panton Luas Prospect (Prosperity 75%)**

**Gold – Copper**

During the quarter Prosperity announced the results from the first drilling program at the **Panton Luas Prospect** in Aceh, Indonesia.



**Figure 1: Prosperity's land package in Aceh**





The initial program of drilling (200-250 metres deep) at Panton Luas was completed using two shallow capacity Drillcorp diamond drill rigs. The assay results were released to the ASX on the 3<sup>rd</sup> June 2011 with best results including:

- **Hole PLDH001: 6m @ 2.05 g/t gold**
- **Hole PLDH002: 2m @ 2.36 g/t gold**
- **Hole PLDH005: 10m @ 1.14 g/t gold**

Panton Luas is one of eight key prospect areas delineated from exploration to date including six porphyry intrusive centres. The drilling program at Panton Luas was designed to test the extent of recognised gold mineralisation being exploited by local artisanal miners to assess on the basis of alteration observed and geochemistry whether the mineralisation could be related to a mineralised intrusive porphyry body at depth. The observed gold-bearing pyrite-magnetite mineralisation occurs within fractures and other structures within microdiorite intrusive breccias in some instances spatially in close association with intrusive feldspar hornblende bearing porphyritic dykes. The intrusive breccia consists of polymictic and monomictic clasts of variously altered pyroxene and occasionally hornblende bearing microdiorite, much of which is propylitic (epidote-carbonate± (reddish) hematite) in character and occurs within an otherwise weakly to unaltered intrusive matrix. The close spatial relationship of the pyritic mineralisation with often sheared contacts of the feldspar hornblende porphyritic dykes appears to be due to occupying a common reactivated structure with the pyritic mineralisation postdating the intrusion of the dykes.

Some pervasive silicification of the intrusive breccias is observed at depth in the drill holes with this overprinting earlier alteration. In some sites this is brittle fractured and locally cut by small off set faults. These shears and fractures are filled with fine grained pyrite indicating some aspects of the paragenetic sequence of alteration and mineralisation with pyrite mineralisation being late in its introduction. These features suggest a late mineralisation event beneath Panton Luas which may relate to deeper porphyry intrusion potential.





<b>ACEH PROJECT</b>						
<b>DRILLING RESULTS - SIGNIFICANT INTERCEPTS</b>						
<b>PANTON LUAS PROSPECT</b>						
<b>Hole No</b>	<b>Prospect</b>	<b>Collar Easting</b>	<b>Collar Northing</b>	<b>Interval</b>	<b>From</b>	<b>Au (g/T)</b>
PLDH001	Panton Luas	292999	377077	6	100	2.05
				4	132	0.88
PLDH002	Panton Luas	293045	377005	10	64	0.49
				2	100	2.36
				4	114	1.08
PLDH003	Panton Luas	293072	376939	1	75	8.76
				2	196	1.08
PLDH004	Panton Luas	293207	376800	4	10	3.84
PLDH005	Panton Luas	293335	376908	8	4	0.46
				10	38	1.14
				10	78	0.80
				2	134	2.56
				24	220	0.22
PLDH006	Panton Luas	293351	377047	2	6	1.88

**Grid Coordinates WGS84 Zone 47 North.**

**Gold analysis was undertaken by Intertek Jakarta by fire assay analysis. Copper was analysed by ICP following acid digest.**

All intervals reported as down hole lengths

Observations made from textural relationships, alteration and geochemistry at the shallow levels tested the drilling undertaken in themselves do not suggest the presence of mineralised porphyry at depth. The lack of significant copper geochemistry and indications of increased temperature from alteration mineralogy would support this view. The copper geochemistry found at depth is consistent with the low grades found from surface rock chip sampling. The extent of the gold only mineralisation was disappointing despite there being a number of significant anomalous intersections made. Some petrology on core sections is proposed to confirm details of alteration observed and to assess the potential for vectors toward higher temperature environments.

Further mapping is continuing in the wider area to determine whether there are zones with elevated copper values that may be more reflective of a local porphyry environment.



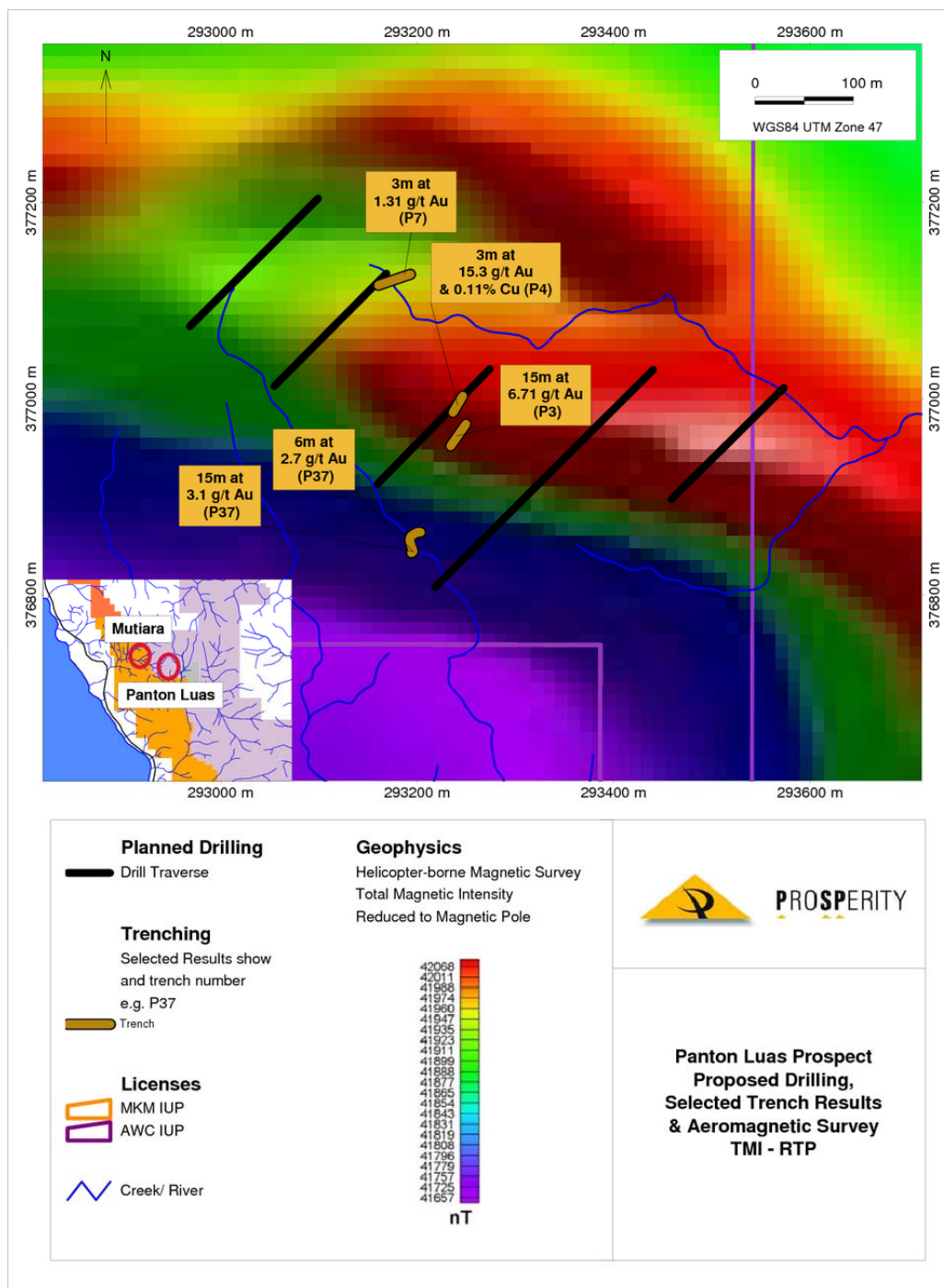


Figure 2: Panton Luas Drilling Traverse Lines

Plans are in place to commence drilling at the associated copper rich occurrences of Mutiara and Pelumat to the north and Kuini to the south.





Prosperity controls a 410km<sup>2</sup> contiguous tenement position along a 60km structural corridor to the west of the Sumatra Fault considered highly prospective for gold/copper mineralisation. A helicopter borne magnetic survey completed in the latter part of last year identified several possible porphyry centres and high grade skarn occurrences that are the current focus of exploration.



**First Rig at Panton Luas**

## **Corporate**

Lionel Liew was appointed as an additional Company Secretary on 6<sup>th</sup> April 2011

During the quarter, 1,250,000 unlisted options expired.

No exploration fieldwork was carried out at the Tennant Creek, Mount Gibson or Yalgoo projects during the June 2011 quarter.

For further information please contact:

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**Chairman/Managing Director**  
**Prosperity Resources Limited**  
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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 2011**

#### 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	- - - (231)	- - - (810)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	26	66
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research & development tax refund	-	-
<b>Net Operating Cash Flows</b>	<b>(205)</b>	<b>(744)</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) Exploration and evaluation	- (817)	- (3,048)
<b>Net Investing Cash Flows</b>	<b>(817)</b>	<b>(3,048)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,022)</b>	<b>(3,792)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,022)	(3,792)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	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	(1)	(4)
	<b>Net financing cash flows</b>	(1)	4,647
	<b>Net increase (decrease) in cash held</b>	(1,023)	855
1.20	Cash at beginning of quarter/year to date	2,393	515
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,370	1,370

### 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	66
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 \$32k Services provided by director-related entities \$34k
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### 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
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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
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+ 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	527	527
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	318
4.2 Development	-
4.3 Production	-
4.4 Administration	241
<b>Total</b>	<b>559</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	205	57
5.2 Deposits at call	1,165	2,336
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>1,370</b>	<b>2,393</b>

+ 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	E59/1112	Relinquished	100%	-
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	<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>	344,539,179	344,539,179	
7.4	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs			
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			

+ See chapter 19 for defined terms.

7.7	<b>Options</b>	<i>Total number</i>	<i>Number quoted</i>	<i>Exercise price</i>	<i>Expiry date</i>
	Unlisted (1)	250,000	-	50 cents	31 Dec 2011
	Unlisted (2)	1,500,000	-	15 cents	28 Feb 2012
	Unlisted (3)	2,000,000	-	12 cents	31 Mar 2012
	Unlisted (4)	1,000,000	-	20 cents	31 Mar 2012
	Unlisted (5)	1,000,000	-	30 cents	31 Mar 2012
	Unlisted (6)	1,000,000	-	40 cents	31 Mar 2012
	Unlisted (7)	500,000	-	12 cents	31 Oct 2012
	Unlisted (8)	500,000	-	15 cents	31 Oct 2012
	Unlisted (9)	3,000,000	-	20 cents	30 Nov 2012
	Unlisted (10)	100,000	-	15 cents	31 Dec 2012
	Unlisted (11)	100,000	-	5 cents	28 Feb 2013
	Unlisted (12)	500,000	-	5 cents	28 Feb 2013
	Unlisted (13)	500,000	-	10 cents	28 Feb 2013
	Unlisted (14)	500,000	-	10 cents	28 Feb 2013
	Unlisted (15)	1,250,000	-	20 cents	31 Mar 2013
	Unlisted (16)	2,500,000	-	25 cents	30 Jun 2013
	Unlisted (17)	500,000	-	30 cents	30 Jun 2013
	Unlisted (18)	*1,000,000	-	30 cents	30 Nov 2013
	Unlisted (19)	*1,500,000	-	30 cents	30 Nov 2014
	Unlisted (20)	*250,000	-	15 cents	Subject to market condition
	Unlisted (21)	*250,000	-	20 cents	“
	Unlisted (22)	*250,000	-	35 cents	“
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	250,000 1,000,000	- -	15 cents 10 cents	11 May 2011 30 Jun 2011
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <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: 29 July 2011  
(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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