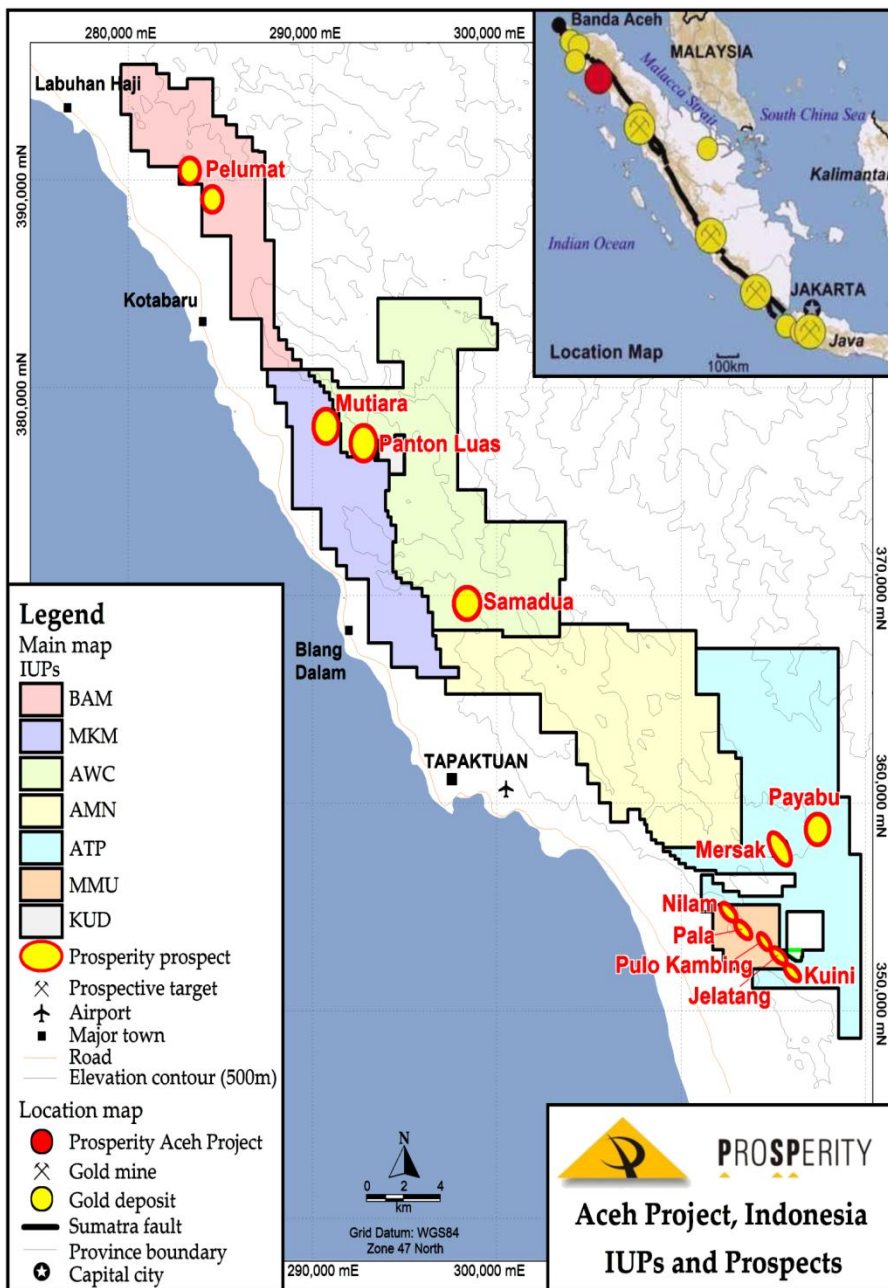




**Aceh gold-copper project, Indonesia**

Prosperity continues to seek funding for our Aceh project (figure 1) in Indonesia. Limited work was done due to the wet season. Work was limited to petrology studies of mineralisation in drill holes from the Pelumat and Kuini Project areas to identify the key economic mineral species present and their relationships. Examples are given below.



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 100 Parry St  
 PERTH WA 6000  
 ABN 60 103 280 235

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

**Website:** [www.prosperity.net.au](http://www.prosperity.net.au)  
**Email:** [info@prosperity.net.au](mailto: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: 408.1M  
 Unlisted Options: 1.5M  
 Performance Rights: 17.25M

**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



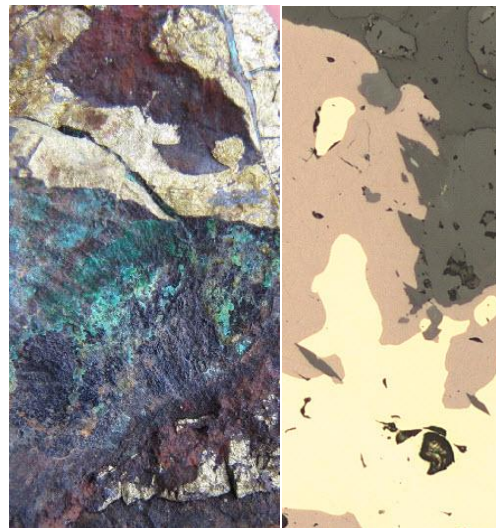


Figure 2: Pelumat copper mineralization is characterized by sub-equal quantities of earlier bornite (pinkish) and later chalcopyrite (yellow). A high grade rock chip (L) has a very similar character to primary mineralization from core at depth (R). No visible Au is observed and given its high tenor locally it is assumed to be preferentially incorporated in solid solution into the bornite phase.

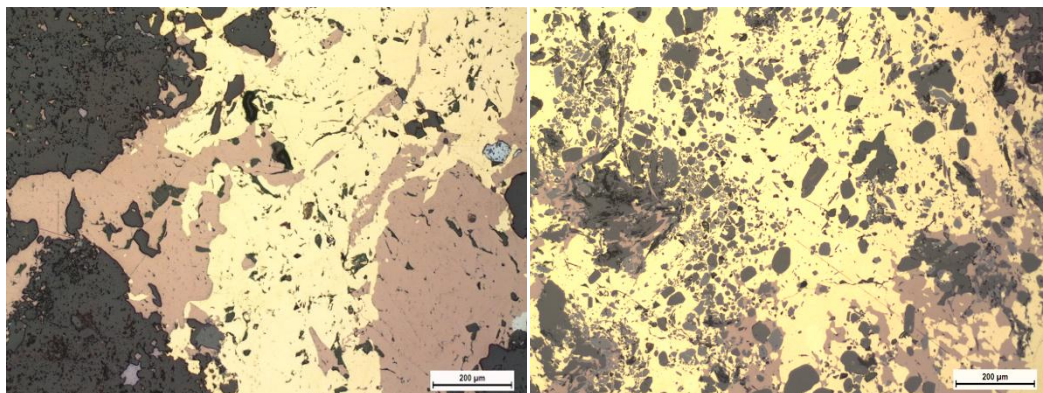


Figure 3: Much of the mineralization at Pelumat shows evidence deformation during skarn zone formation.

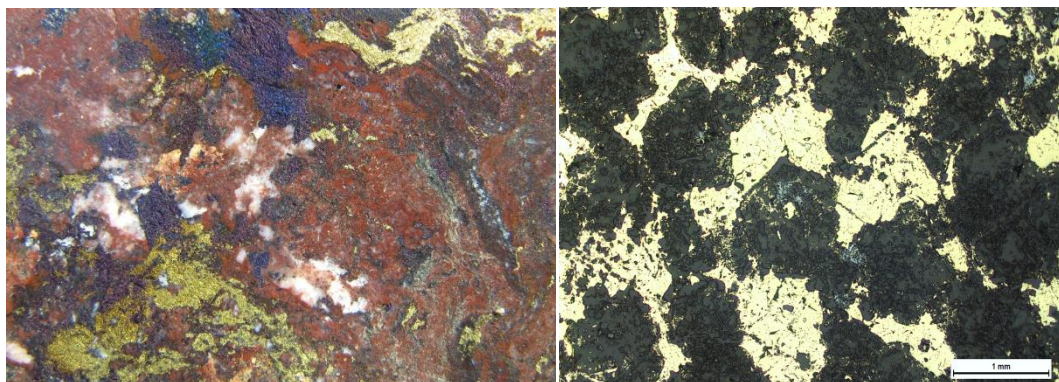


Figure 4: Pelumat ores also have covellite (blue) accompanying the chalcopyrite and bornite in some sections. In other sections (R) chalcopyrite (yellow) is intergrown with garnet (dark) in the skarn zones. Chalcopyrite rich sections lacking bornite have lower gold content.





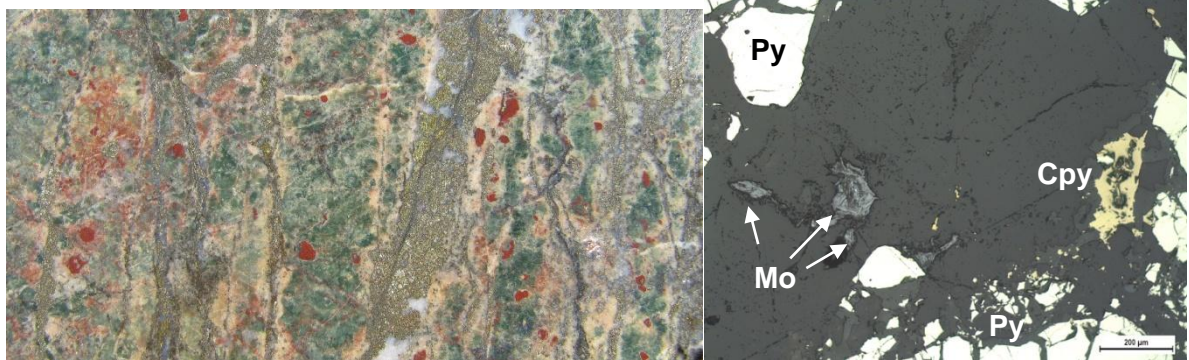


Figure 5: Kuini skarn alteration of microdiorite (L) hosting significant anomalous Cu-Au-Mo mineralization. (R) shows relationship of key minerals within garnet skarn. (Py = pyrite; Mo = molybdenite; Cpy = chalcopyrite).

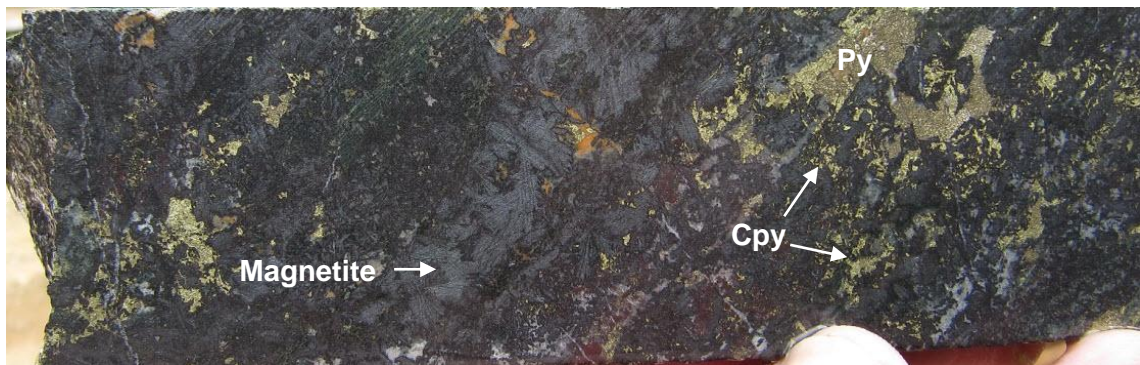


Figure 6: Magnetite-chalcopyrite-pyrite endoskarn mineralisation.

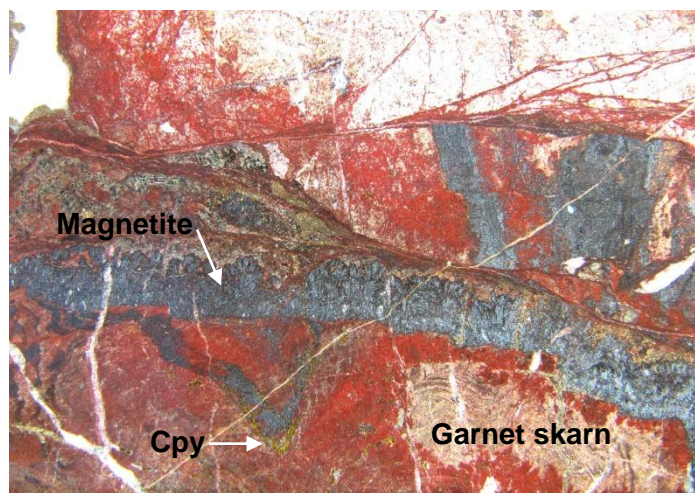


Figure 7: Hydrothermal magnetite veins (after hematite)-chalcopyrite-pyrite mineralization in altered garnet skarn.





## **Mining Tenements Status**

Mining tenements held at the end of quarter				
Project	Tenement	Country/Province	Status	Interest
Aceh	MMU	Indonesia / Aceh	Granted	73.80%
Aceh	BAM	Indonesia / Aceh	Granted	73.80%
Aceh	MKM	Indonesia / Aceh	Granted	73.80%
Aceh	ATP	Indonesia / Aceh	Granted	83.70%
Aceh	AMN	Indonesia / Aceh	Granted	83.70%
Aceh	AWC	Indonesia / Aceh	Granted	83.70%
Tennant Creek	C23828	Australia / NT	Granted	100.00%
Tennant Creek	C23846	Australia / NT	Granted	100.00%
Tennant Creek	C23890	Australia / NT	Granted	100.00%
Tennant Creek	C23895	Australia / NT	Granted	100.00%
Tennant Creek	C24158	Australia / NT	Granted	100.00%
Tennant Creek	C26756	Australia / NT	Granted	100.00%
Tennant Creek	C26757	Australia / NT	Granted	100.00%

## **Corporate**

The Company held its Annual General Meeting (“AGM”) on 28 November 2013 with all resolutions passed by show of hands and by proxy. Details of the AGM results can be found at our website below.

For further information please contact:

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

or visit [www.prosperity.net.au](http://www.prosperity.net.au)

The results and comments contained in this report have been reviewed 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 types of deposits under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). All of the significant information reported herein was available to Dr Rutherford and was reviewed for this release. 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 and oil and gas exploration entity quarterly report**

**Mining exploration entity and oil and gas 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, 01/05/2013

Name of entity

**Prosperity Resources Limited**

ABN

**60 103 280 235**

Quarter ended ("current quarter")

**31 December 2013**

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (6 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	(15)   (59)	(19)   (109)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Rental income	4	8
1.8 Recovery of outstanding debt	44	124
<b>Net Operating Cash Flows</b>	<b>(26)</b>	<b>4</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>(26)</b>	<b>4</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(26)	4
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>		
	<b>Net increase (decrease) in cash held</b>	(26)	4
1.20	Cash at beginning of quarter/year to date	34	4
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	8	8

**Payments to directors of the entity, associates of the directors, 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	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

NA

**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

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas 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	1,127	563
3.2 Credit standby arrangements		

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	5
4.2 Development	
4.3 Production	
4.4 Administration	25
<b>Total</b>	<b>30</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	8	34
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)	563	527
<b>Total: cash at end of quarter (item 1.22)</b>	<b>571</b>	<b>561</b>

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+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

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**Changes in interests in mining tenements and petroleum tenements**

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EL23818 Tennant Creek, NT	PSP 100%	100%	0% (Surrendered)
		EL23837 Tennant Creek, NT	PSP 100%	100%	0% (Surrendered)
6.2	Interests in mining tenements and petroleum 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>	408,104,180	408,104,180	
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>			

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+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	<i>Total number</i> <i>Unlisted options</i> 1,500,000  <i>Performance Rights</i> 4,750,000 1,000,000 5,250,000 5,250,000 1,000,000	<i>Number quoted</i>  -          	<i>Exercise price</i>  30 cents               <i>Market Cap Hurdle</i> \$35,000,000 \$40,000,000 \$5,000,000 \$10,000,000 \$20,000,000	<i>Expiry date</i> 30 Nov 2014               <i>Expiry date</i> 30 Jun 2014 30 Nov 2015 30 Jun 2014 31 Dec 2014 30 Jun 2015
7.8	Issued during quarter	<i>Performance Rights</i> 5,250,000 5,250,000 1,000,000		<i>Market Cap Hurdle</i> \$5,000,000 \$10,000,000 \$20,000,000	<i>Expiry date</i> 30 Jun 2014 31 Dec 2014 30 Jun 2015
7.9	Exercised during quarter				
7.10	Expired during quarter	<i>Unlisted options</i> 1,000,000  <i>Performance Rights</i> 4,750,000	<i>Number quoted</i>  -          	<i>Exercise price</i> 30 cents               <i>Market Cap Hurdle</i> \$25,000,000	<i>Expiry date</i> 30 Nov 2013               <i>Expiry date</i> 30 Nov 2013
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

### 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 /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ..... Date: 30 January 2014  
 (Company secretary)

Print name: G Taylor

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+ 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 and petroleum 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 or petroleum 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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