
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the yearly period ended December 31, 2008

For the transition period from _____ to _____

Commission file number 000-30919

PROSPERO MINERALS CORP.

(Exact name of small business issuer as specified in its charter)

Incorporated in the State of Nevada

(State or other jurisdiction of incorporation or organization)

33-1059313

(I.R.S. Employer Identification No.)

575 Madison Avenue, 10th Floor, New York, New York, 10022-2511

(Address of principal executive offices)

239 243 0782

(Issuer's telephone number)

Check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant as required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

| <u>Class</u> | <u>Outstanding at December 31, 2008</u> |
|-----------------------------------|---|
| Common Stock - \$0.0001 par value | 222,713,941 |

Transitional Small Business Disclosure Format (Check one): Yes [] No [X]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

**PROSPERO MINERALS CORP.
(A Exploration Stage Company)**

**Quarterly Report on Form 10-Q for the
Period Ending December 31, 2008**

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Prospero Minerals Corp.'s unaudited financial statements for the quarter ended December 31, 2008 are included with this Form 10-Q. The unaudited financial statements for the quarter ended December, 2008 include:

Condensed Consolidated Balance Sheets:

March 31, 2008 and December 31, 2008

Condensed Consolidated Statements of Losses:

Three Months Ended December 31, 2008 and December 31, 2007

Nine Months Ended December 31, 2008 and December 31, 2007

For the Period July 23, 2002 (Date of Inception) through December 31, 2008.

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For the period July 23, 2002 (Date of Inception) through December 31, 2008

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For the Period July 23, 2002 (Date of Inception) through December 31, 2008

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The unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q and, therefore, do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the three months ended December 31, 2008 are not necessarily indicative of the results that can be expected for the fiscal year ending March 31, 2009. The financial statements have been reviewed and are on file with Prospero's auditor.

PROSPERO MINERALS CORP.
(A EXPLORATION STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Unaudited)

December 31, 2008

March 31, 2008

| ASSETS | December 31, 2008 | | March 31, 2008 | |
|--------------------------|-------------------|--------------------|----------------|--------------------|
| CURRENT ASSETS: | | | | |
| Cash and Cash Equivalent | \$ | 13,610,417 | \$ | 5105 |
| Subscription Receivables | | 156,912 | | 6,156,912 |
| Accounts Receivable | | | | |
| Deposit | | | | |
| Sub Total | | 13,767,329 | | 6,162,017 |
| Cavitation | | 206,080,438 | | 179,580,438 |
| Capital Assets | | | | 420,600 |
| TOTAL ASSETS | \$ | 219,847,767 | \$ | 186,163,055 |

LIABILITIES AND (DEFICIENCY IN) STOCKHOLDERS' EQUITY

| | | | | |
|--|----|------------------|----|------------------|
| CURRENT LIABILITIES: | | | | |
| Accounts payables | \$ | 1,565,604 | \$ | 1,310,834 |
| Accrued Liabilities | | 23,469 | | 23,469 |
| Advances from related parties (Note B) | | | | |
| TOTAL CURRENT LIABILITIES | | 1,589,073 | | 1,334,303 |

(DEFICIENCY IN) STOCKHOLDERS' EQUITY

Preferred Stock, par value \$.001 per share; 10,000,000 shares authorized; none issued and outstanding at December 31, 2008 and March 31, 2008. (Note C)

| | | | | |
|--|-----------|--------------------|-----------|--------------------|
| Common stock, par value \$.0001 per share; 290,000,000 shares authorized; 172,713,941 and 222,713,941 shares issued and outstanding at March 31, 2008 and December 31, 2008 respectively. (Note C) | | | | 2,740,714 |
| Additional paid-in-capital | | 212,741,281 | | 185,081,861 |
| Shares Subscribed | | 8,760,694 | | |
| Accumulated deficit during exploration stage | | (3,243,281) | | (2,993,823) |
| Stockholders' Equity | | 223,091,048 | | (184,828,752) |
| Total Liabilities and Stockholders' Equity | \$ | 219,847,767 | \$ | 186,163,055 |

See accompanying notes to the unaudited condensed consolidated financial information

PROSPERO MINERALS CORP.
(A EXPLORATION STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF LOSSES

| | For the three months ended December 31 | | For the nine months Ended December 31 | | For the period from July 23, 2002 (date of inception) |
|--|---|--------------------|--|--------------------|---|
| | 2007 | 2008 | 2007 | 2008 | 2008 |
| Costs and Expenses: | | | | | |
| General and Administrative | \$ 31,176 | 239,971 | \$ 127,889 | 1,142,035 | \$ 2,063,676 |
| Mineral Exploration | | | 495,000 | 653,818 | 1,148,817 |
| Total Operating Expense | 31,176 | 239,971 | 622,889 | 1,795,853 | 3,212,493 |
| Loss from Operations | 31,176 | 239,971 | 622,889 | 1,831,953 | 3,058,624 |
| Net Loss | \$ 31,176 | 239,971 | 622,889 | 1,831,953 | \$ 3,058,624 |
| Loss per common share (basic and assuming dilution) | \$ (0.01) | (0.01) | (0.01) | | |
| Weighted average common shares outstanding | 172,713,941 | 222,713,941 | 172,713,941 | 222,713,941 | |

See accompanying notes to the unaudited condensed consolidated financial information

PROSPERO MINERALS CORP.
(A EXPLORATION STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF DEFICIENCY IN STOCKHOLDERS' EQUITY
FOR THE PERIOD JULY 23, 2002 (DATE OF INCEPTION) TO DECEMBER 31, 2008

| | Common Shares | Stock Amount | Additional Paid-in Capital | Deficit Accumulated During Exploration Stage | Total |
|--|--------------------|------------------|----------------------------------|--|--------------------|
| Issuance of common stock in July 2002 for cash at \$0.01 per share | 5,500,000 | \$ 5,500 | \$ 49,500 | \$ | \$ 55,000 |
| Shares issued in August 2002 for cash at \$0.01 per share, net of costs | 3,760,000 | 3,760 | 33,840 | | 37,600 |
| Shares issued in February 2003 for cash at \$.50 per share, net of costs | 10,500 | 11 | 5,526 | | 5,537 |
| Net Loss | - | - | - | (5,324) | (5,324) |
| Balance at March 31, 2003 | 9,270,500 | 9,271 | 88,866 | (5,324) | 92,813 |
| Net Loss | - | - | - | (86,266) | (86,266) |
| Balance at March 31, 2004 | 9,270,500 | 9,271 | 88,866 | (91,590) | 6,547 |
| Net Loss | | | | (62,076) | (62,076) |
| Balance at March 31, 2005 | 9,270,500 | 9,271 | 88,866 | (153,666) | (55,529) |
| Net loss | | | | (17,886) | (17,886) |
| Balance at June 30, 2005 | 9,270,500 | 9,271 | 88,866 | (171,552) | (73,415) |
| Net Loss | | | | (339,654) | (339,654) |
| Balance at March 31, 2006 | 89,270,500 | 89,271 | 429,466 | (511,206) | 7,531 |
| Net Loss | | | | (604,614) | (604,614) |
| Shares Issued | 198,441 | 198 | 291,395 | | 291,593 |
| Balance at June 30, 2006 | 89,468,941 | 89,469 | 720,861 | (1,115,820) | (305,490) |
| Net Loss | | | | (987,368) | (987,368) |
| Balance at Sept. 30, 2006 | 89,468,941 | 89,469 | 720,861 | (2,103,188) | (1,292,858) |
| Net Loss | | | | (203,871) | (203,871) |
| Shares Issued | 11,245,000 | 11,245 | 1,000 | | 12,245 |
| Balance at Dec. 31, 2006 | 100,713,941 | 100,714 | 721,861 | (2,307,059) | (1,484,484) |
| Net Loss | | | | (47,544) | (47,544) |
| Balance at Mar. 31, 2007 | 100,713,941 | 100,714 | 721,861 | (2,354,603) | (1,532,028) |
| Net Loss | | | | (578,479) | (578,479) |
| Shares Issued | 20,000,000 | 200,000 | 2,000,000 | | 2,200,000 |
| Balance at June 30, 2007 | 120,713,941 | 300,714 | 721,861 | (2,933,082) | 89,843 |
| Net Loss | | | | (10,234) | (10,243) |
| Balance at Sept. 30, 2007 | 120,713,941 | 300,714 | 721,861 | (2,943,316) | 79,600 |
| Net Loss | | | | (34,176) | (34,176) |
| Shares Issued | 52,000,000 | 520,000 | 52,201,861 | | 52,721,861 |
| Balance at Dec. 31, 2007 | 172,713,941 | 820,714 | 52,923,722 | (2,977,492) | 52,767,285 |
| | | | | (16,331) | (16,331) |
| Shares Issued | | | | | 121,000,000 |
| Balance at Mar 31, 2008 | 172,713,941 | 820,714 | 52,923,722 | (2,993,823) | 173,750,954 |
| Net Loss | | | | (28,701) | (28,701) |
| Balance at June 30, 2008 | 172,713,941 | 820,714 | 52,923,722 | (3,022,524) | 173,722,253 |
| Net Loss | | | | | |
| Balance at September 30, 2008 | 172,713,941 | 820,714 | 52,923,722 | (3,022,524) | 173,722,253 |
| Net Loss | | | | | |
| Balance at December 31, 2008 | 172,713,941 | 820,714 | 52,923,722 | (3,022,524) | 173,722,253 |
| Shares Issued | 50,000,000 | 500,000 | 20,000,000 | | 20,500,000 |
| Net Loss | | | | (36,100) | |
| Unrealized gain on Sale of Shares | | | | | 1,999,000 |
| | 222,713,941 | 1,320,714 | 72,923,722 | (3,058,624) | 196,221,253 |

See accompanying notes to the unaudited condensed consolidated financial information

PROSPERO MINERALS CORP.
(A EXPLORATION STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | For the nine months ended December 31, 2008 | | For the period from July 23, 2002 (date of inception) through December 31, 2008 |
|--|--|--------------------|---|
| | 2007 | 2008 | |
| INCREASE (DECREASE) IN CASH AND EQUIVALENTS | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net loss from exploration stage operations | \$ (622,889) | \$ (153,869) | \$ (3,176,393) |
| Depreciation and Amortization | 74,157 | | 95,345 |
| Adjustments to reconcile net loss from exploration stage operations to cash used for operating activities: | | | |
| Prepaid and Deposits | | | |
| Subscription Receivable | 156,912 | 156,912 | 6,156,912 |
| Accounts Receivable | | | 40,000 |
| Accounts payable and accrued expenses | 164,926 | 113,311 | 1,552,973 |
| NET CASH (USED IN) OPERATING ACTIVITIES | (226,894) | (291,027) | 4,632,737 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Proceeds from sale of common stock and stock subscription, net of costs | - | | 8,410,330 |
| Proceeds from related parties advances, net of repayments | | | 1,191,028 |
| Payment for assets purchase | - | | (420,600) |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | | | 9,180,758 |
| NET CASH USED IN INVESTING ACTIVITIES | | | |
| NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS | | | |
| | 5,086 | 41,186 | 21,210,398 |
| Cash and cash equivalents at the beginning of the period | 19 | 19 | 3,624 |
| Cash and cash equivalents at the end of the period | <u>5,105</u> | <u>3605</u> | <u>212,079,422</u> |
| Supplemental Disclosures of Cash Flow Information | | | |
| Cash paid during the period for interest | - | - | - |
| Income taxes paid | - | - | - |

See accompanying notes to the unaudited condensed consolidated financial information

PROSPERO MINERALS CORP.
(A Exploration Stage Company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION
DECEMBER 31, 2008
(unaudited)

NOTE A-SUMMARY OF ACCOUNTING POLICIES

General

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Accordingly, the results from operations for the three month period ended December 31, 2007, are not necessarily indicative of the results that may be expected for the year ended March 31, 2009. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated March 31, 2008 financial statements and footnotes thereto included in the Company's SEC Form 10-K.

Business and Basis of Presentation

Prospero Minerals Corp. (the "Company") was reincorporated under the laws of the State of Nevada on July 23, 2002. On May 2003, the Company acquired all of the issued and outstanding shares of CMC Exploration Corp., a British Columbia company. At June 30, 2007 CMC Exploration Corp was dormant. The Company has been in the gold, silver and other mineral exploration business since its formation. The Company has not commenced significant operations and is considered a development stage Company, as defined by Statement of Financial Accounting Standards No. 7 ("SFAS 7"). To date the Company has not generated any revenues, has incurred expenses, and has sustained losses. Consequently, its operations are subject to all risks inherent in the establishment of a new business enterprise. For the period from inception through December 31, 2008, the Company has accumulated losses of \$ 3,243,281.00

The consolidated financial statements include the accounts of Prospero Minerals Corp. and its wholly-owned subsidiary, CMC Exploration Corp. Significant inter-company transactions and accounts have been eliminated in consolidation.

Reclassifications

Certain reclassifications have been made in prior year's financial statements to conform to classifications used in the current year.

Stock Based Compensation

In December 2002, the FASB issued Statement of Financial Accounting Standards No. 148 ("SFAS No. 148"), "Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of SFAS 123." This statement amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in APB Opinion No. 25 and related interpretations.

PROSPERO MINERALS CORP.
(A Exploration Stage Company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION
DECEMBER 31, 2008
(unaudited)

NOTE A-SUMMARY OF ACCOUNTING POLICIES (Continued)

Stock Based Compensation (Continued)

Accordingly, compensation expense for stock options is measured as the excess, if any, of the fair market value of the Company's stock at the date of the grant over the exercise price of the related option. The Company has adopted the annual disclosure provisions of SFAS No. 148 in its financial reports for the year ended March 31, 2007 and 2006 and will adopt the interim disclosure provisions for its financial reports for the subsequent periods. The Company has no awards of stock-based employee compensation outstanding at December 31, 2008.

On December 16, 2004, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 123R (revised 2004), "Share-Based Payment" which is a revision of FASB Statement No. 123, "Accounting for Stock-Based Compensation". Statement 123R supersedes APB opinion No. 25, "Accounting for Stock Issued to Employees", and amends FASB Statement No. 95, "Statement of Cash Flows". Generally, the approach in Statement 123R is similar to the approach described in Statement 123. However, Statement 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro-forma disclosure is no longer an alternative. On April 14, 2005, the SEC amended the effective date of the provisions of this statement. The effect of this amendment by the SEC is that the Company will have to comply with Statement 123R and use the Fair Value based method of accounting no later than the its last quarter of fiscal 2008. Management has not determined the impact that this statement will have on Company's consolidated financial statements.

Segment Information

Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131") establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. SFAS 131 also establishes standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions how to allocate resources and assess performance. The information disclosed herein materially represents all of the financial information related to the Company's principal operating segment.

New Accounting Pronouncements

In March 2005, the FASB issued FASB Interpretation (FIN) No. 47, "Accounting for Conditional Asset Retirement Obligations, an interpretation of FASB Statement No. 143," which requires an entity to recognize a liability for the fair value of a conditional asset retirement obligation when incurred if the liability's fair value can be reasonably estimated. The Company is required to adopt the provisions of FIN 47 no later than the last quarter of its fiscal 2008. The Company does not expect the adoption of this Interpretation to have a material impact on its consolidated financial position, results of operations or cash flows.

PROSPERO MINERALS CORP.
(A Exploration Stage Company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION
DECEMBER 31, 2008
(unaudited)

NOTE A-SUMMARY OF ACCOUNTING POLICIES (Continued)New Accounting Pronouncements (Continued)

In May 2005 the FASB issued Statement of Financial Accounting Standards (SFAS) No. 154, "Accounting Changes and Error Corrections, a replacement of APB Opinion No. 20 and FASB Statement No. 3." SFAS 154 requires retrospective application to prior periods' financial statements for changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. SFAS 154 also requires that retrospective application of a change in accounting principle be limited to the direct effects of the change. Indirect effects of a change in accounting principle, such as a change in non-discretionary profit-sharing payments resulting from an accounting change, should be recognized in the period of the accounting change. SFAS 154 also requires that a change in depreciation, amortization, or depletion method for long-lived, non-financial assets be accounted for as a change in accounting estimate affected by a change in accounting principle. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. Early adoption is permitted for accounting changes and corrections of errors made in fiscal years beginning after the date this Statement is issued. The Company does not expect the adoption of this SFAS to have a material impact on its consolidated financial position, results of operations or cash flows.

NOTE B - ADVANCES FROM RELATED PARTIES

During the six months ended December 30, 2008 and the year ended March 31, 2008, entities controlled by the Company's directors advanced funds to the Company for working capital purposes. Total amount due to related parties amounted \$0 and \$0 at December 31, 2008 and March 31, 2008, respectively. The amounts advanced are unsecured, non-interest bearing and have no specific terms of repayment.

NOTE C - CAPITAL STOCK

The Company is authorized to issue 290,000,000 shares of common stock with par value of \$.01 per share. As of March 31, 2008 and December 31, 2008, the Company has no preferred stock issued and outstanding. The Company has 172,713,941 and 222,713,941 shares of common stock issued and outstanding at March 31, 2008 and December 31, 2008 respectively.

Item 2. Management's Plan of Operation.

THE FOLLOWING PRESENTATION OF MANAGEMENT'S PLAN OF OPERATIONS OF PROSPERO MINERALS CORP. SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION INCLUDED HEREIN.

Forward Looking Statements

This report on Form 10-QSB contains certain forward-looking statements within the meaning of Section 21e of the *Securities Exchange Act of 1934*, as amended, and other applicable securities laws. All statements other than statements of historical fact are "*forward-looking statements*" for purposes of these provisions, including any projections of earnings, revenues, or other financial items; any statements of the plans, strategies, and objectives of management for future operation; any statements concerning proposed new products, services, or explorations; any statements regarding future economic conditions or performance; statements of belief; and any statement of assumptions underlying any of the foregoing. Such forward-looking statements are subject to inherent risks and uncertainties, and actual results could differ materially from those anticipated by the forward-looking statements.

Overview

Prospero was incorporated on July 23, 2002, under the laws of the State of Nevada. Prospero is an exploration stage company engaged in the acquisition and exploration of mineral properties.

On June 20, 2006, Prospero Minerals Corp. announced its name change from "Corumel Minerals Corp." to "Prospero Minerals Corp." and increased its authorized capital.

Results of Operations

Prospero did not earn any revenues from inception through the reporting period ending December 31, 2008. Prospero does anticipate earning revenues now that it has entered into commercial production of its mineral properties. In the fourth quarter revenue from the production of potable water should be achieved.

Prospero incurred expenses in the amount of \$1,795,853, for the nine month period ending December 31, 2008. From the period on inception on July 23, 2002 to December 31, 2008, Prospero incurred expenses in the amount of \$3,243,281. These operating expenses were primarily related to professional fees in connection with Prospero's corporate organization relating to audit fees and legal fees. Prospero anticipates its operating expenses will increase as it undertakes its plan of operations, provided further exploration is recommended. This increase will be attributable to further geological exploration and the professional fees associated with complying with the reporting requirements under the *Securities Exchange Act of 1934*.

Prospero incurred a loss in the amount of \$239,971 for the three month period ended December 31, 2008 and a loss in the amount of \$3,243,281.00 for the period from inception of July 23, 2002 through December 31, 2008. Prospero's loss was entirely attributable to general and administrative expenses, which included operating expenses and professional fees.

Liquidity and Capital Resources

Prospero had cash of \$13,610,417 as of December 31, 2008, compared to cash in the amount of \$5,105 as of its fiscal year end on March 31, 2008. Prospero had a working capital deficit of (\$3,243,281) as of December 31, 2008, compared to working capital deficit of \$ 2,343,159 as of December 31, 2007. Prospero's liabilities as of December 31, 2008, total \$219,847,767 relate to advances from related parties, accounts payable and accrued liabilities, including professional fees for legal and audit services.

Prospero's independent certified public accountants have stated in their report included in Prospero's March 31, 2008 Form 10-QSB, that Prospero has not generated revenues and has incurred operating losses and that Prospero is dependent upon management's ability to develop profitable operations. These factors among others may raise substantial doubt about the Prospero's ability to continue as a going concern.

Prospero had cash in the amount of \$13,610,417 as of December 31, 2008. Prospero's total expenditures over the next twelve months are anticipated to be approximately \$3.2 Million dollars. Prospero does have plans to purchase equipment and change the number of its employees based on the development of the properties and alternative energy / potable water production in The Bahamas during the next twelve months.

Critical Accounting Policies

Prospero's discussion and analysis of its financial condition and results of operations, including the discussion on liquidity and capital resources, are based upon its financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Actual results could differ from those estimates. On an on going basis, management re-evaluates its estimates and judgments, including but not limited to, those related to revenue recognition and collectibility of accounts receivable. Critical accounting policies identified are as follows:

Reclamation and Abandonment Costs

The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 143 ("SFAS 143"), "*Accounting for Asset Retirement Obligations*" which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This statement establishes a uniform methodology for accounting for estimated reclamation and abandonment costs whereby reclamation and closure costs including site rehabilitation will be recorded at the estimated present value of reclamation liabilities and will increase the carrying amount of the related asset. These reclamation costs will be allocated to expense over the life of the related assets and will be adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original present value estimate. Prospero's adoption of SFAS No. 143 did not have a material impact on its operations or financial position.

Internal and External Sources of Liquidity

Prospero has funded its operations primarily from the issuance of common stock.

Inflation

Prospero does not believe that inflation will have a material impact on its future operations.

Off-Balance Sheet Arrangements

Prospero does not have any off-balance sheet arrangements.

Item 3. Controls and Procedures

(a)

Evaluation of disclosure controls and procedures.

The term "disclosure controls and procedures" (defined in SEC Rule 13a-15(e)) refers to the controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported within required time periods. The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this quarterly report (the "Evaluation Date"). Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer has concluded that, as of the Evaluation Date, such controls and procedures were effective.

(b)

Changes in internal controls.

The term "internal control over financial reporting" (defined in SEC Rule 13a-15(f)) refers to the process of a company that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated any changes in the Company's internal control over financial reporting that occurred during the fiscal quarter covered by this quarterly report, and they have concluded that there was no change to the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION**Item 1.****Legal Proceedings**

Prospero is not a party to any pending legal proceedings and, to the best of Prospero's knowledge, none of Prospero's assets is the subject of any pending legal proceedings.

Item 2.**Unregistered Sale of Equity Securities and Use of Proceeds**

There have been no sales of unregistered securities within the quarter ended September 30, 2007 that would be required to be disclosed pursuant to Item 701 of Regulation S-B.

Item 3.**Defaults Upon Securities**

None.

Item 4.**Submission of Matters to a Vote of Security Holders**

None.

Item 5.**Item 5. Other Information**

On October 31, 2006 Prospero Minerals completed the acquisition from Cavitation Concepts Corporation of all of the assets pertaining to Cavitations' water purification business. In exchange for the assets, Prospero Minerals issued 10 million shares of its common stock to Cavitation Concepts Corporation. The parties valued the shares at \$1,000.00, based on their assessment of the fair value of the transferred assets at that time. Since October 2006, these assets are being properly deployed and utilized in the manner that has taken several years to produce the desired results. This Technology together with the Advanced Cavitation Technology will produce very exciting results with guaranteed revenues for the Company for years to come.

On June 10th2008, a definitive Purchase Of License Agreement For a Profit Sharing Joint Ventures was entered into with Environmental Energy Enterprises Inc and Cavitation Concepts Corporation Ltd to form a Joint Venture for the purpose of building, marketing, owning, operating, managing, and financing the multiple applications of "ACT" Advanced Cavitation Technology, under the private label of "MIC" Mechanically Induced Cavitation Technologies, with or without "WETTTECH" operating systems and/or the Pyramid Power structure, for the purpose of selling Power, water, and other residual products for profit sharing purposes under the terms and conditions as outlined in the Agreement.

Cavitation Concepts Corp owns 100% of another International Business Company named EPOS, which owns Ten Million (10,000,000) shares of Prospero Minerals Corp (PSPO) and has utilized a portion of this asset in consideration of partial payment for this Agreement plus a cash payment of in the amount of \$50,000.00 (Fifty thousand dollars).

As a result of this transaction Prospero Minerals Corp, being owner of 40% of Cavitation Concepts Ltd, has incurred and agreed to issue to Cavitation Concept Corp 2,025,000 unrestricted shares as its portion settlement of payment for the Agreement with Environmental Energy Enterprises Inc.(based on 0.80 cents per share) as originally Agreed with the Company. These shares as reflected in our previous statement at September 30, 2008 were not issued from Treasury and will be adjusted at a later date. Currently, the Board of Directors in consultation with the Company Financial Advisor agreed to adjust the unrealized gain on sale of shares (profit) on the original sale and transfer of MIC Technology to the Company to an amount of \$7,999,000.00. On previous statements \$6,000,000.00 was already included in the balanced figures. These adjustments are reflected on this statement of December 31, 2008.

The sale of the shares by Prospero Minerals to Cavitations Concepts was exempt pursuant to Section 4(2) of the Securities Act since the sale was not made in a public offering and was made to an entity whose principals had access to detailed information about Prospero Minerals and which was acquiring the shares for its own account. There were no underwriters .

On February 26, 2008 Prospero Minerals Corp. announced its first venture into the real estate market with an acquisition and resort development in Rum Cay, Bahamas through its major shareholder Cavitation Concepts Corporation Limited.

Because of the change in the buyers of the Rum Cay properties along with the increase of oil prices and devaluation of the US dollar, these circumstances had a direct negative effect on the plans for this development. The Management of Cavitation Concepts and Prospero Minerals decided to postpone this development and concentrate on a more direct and profitable business of Water and alternative energy.

This acquisition, along with the New Cavitation Technology and proposed Health Care Facilities, soon to be developed in the Caribbean, now places Cavitation Concepts Corporation Limited and Prospero Minerals Corp. in a unique position to expand into the tourism, Real Estate sales and construction business.

Prospero Minerals Corp signed an Agreement with it's clearing house and transfer agent , X-Clearing to change its services to X-Pedited Transfer Corporation as Transfer Agent and Registrar and is hereby authorized to issue and register such new certificates for the capital stock of the Company as may from time to time be requested.

The application for the Company name change from Prospero Minerals Corp. to Prospero Group along with a share split, which was passed on November 8th 2008 by a majority of 80% of the shareholdings has been filed through a Certificate of Amendment with Nevada Agency and Trust Company for the State of Nevada. This name change has been completed and approved by the Secretary of State of the State of Nevada and became effective on January 2, 2009. All share certificates for existing shareholders will be automatically filed and distributed by the Depository Trust Company (DTC). NASDAQ has received the necessary documentation to process the name change and reverse split for **Prospero Minerals Corp** to **Prospero Group** and that Prospero Group Board Members were notified that this corporate action will take effect at the open of business **1/5/2009**. The new symbol on this date will be **PRPG**. The Reverse Share Split enables the Company to complete acquisitions of other technologies that will enhance the profitability of the Company through contracts already negotiated for the sale of Alternative Power and Potable Water.

Latest news on production and Company activities can be found at <http://www.prospero-group.com>

Item 6. Exhibits

(a)

| Index to and Description of Exhibits | | |
|--------------------------------------|---|--------------------------|
| Exhibit | Description | Status |
| 31 | Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | Included |
| 32 | Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | Included |

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, Prospero Minerals Corp. has caused this report to be signed on its behalf by the undersigned duly authorized person.

PROSPERO MINERALS CORP.

By: /s/ Hubert Pinder

Name: Hubert Pinder
Title : Chief Financial Officer
Dated: January 24th, 2009

Exhibit 31

**PROSPERO MINERALS CORP.
CERTIFICATIONS PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

CERTIFICATION

I, Hubert Pinder, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Prospero Minerals Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the small business issuer and we have:
 - a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the small business issuer's disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - c) presented in this report any change in the small business issuer's internal controls over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial data; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

PROSPERO MINERALS CORP.

By: /s/ Hubert Pinder

Name: Hubert Pinder
Title : Chief Financial Officer
Dated: January 24th, 2009

Exhibit 32

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Prospero Minerals Corp. ("Prospero") on Form 10-QSB for the period ending September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Etoile Pinder, Chief Executive Officer, certify, pursuant to s.906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Prospero.

PROSPERO MINERALS CORP.

By: /s/ Hubert Pinder

Name: Hubert Pinder
Title : Chief Financial Officer
Dated: January 24th, 2009

**PROSPERO MINERALS CORP.
CERTIFICATIONS PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

CERTIFICATION

I, Hubert Pinder, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Prospero Minerals Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the small business issuer and we have:
 - a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the small business issuer's disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - c) presented in this report any change in the small business issuer's internal controls over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial data; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

PROSPERO MINERALS CORP.

By: /s/ Hubert Pinder

Name: Hubert Pinder
Title : Chief Financial Officer
Dated: January 24th, 2009

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Prospero Minerals Corp. ("Prospero") on Form 10-QSB for the period ending September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Etoile Pinder, Chief Executive Officer, certify, pursuant to s.906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Prospero.

PROSPERO MINERALS CORP.

By: /s/ Hubert Pinder

Name: Hubert Pinder
Title : Chief Financial Officer
Dated: January 24th, 2009
