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AWARD AND COMMENCEMENT OF DEFINITIVE FEASIBILITY STUDY FOR FEKOLA GOLD PROJECT

- ▶ The Definitive Feasibility Study has commenced on the Fekola Gold Project;
- ▶ Papillon has appointed Lycopodium Minerals Pty Ltd, a leading international project management and engineering firm, as Lead Engineer for the Definitive Feasibility Study;
- ▶ The Definitive Feasibility Study will build on the strong technical and economic results from the Pre-Feasibility Study completed on the Fekola Gold Project in 2013; and
- ▶ Lycopodium will be assisted by a number of leading industry consultants with expertise in the design and construction of gold mines in West Africa.

Papillon Resources Limited ('Papillon' or 'the Company') is pleased to announce that the Definitive Feasibility Study ('DFS') for the Fekola Gold Project ('Fekola' or 'Project') located in south western Mali has now commenced, and is scheduled for completion during the second half of 2014.

Following the successful completion of the Pre-Feasibility Study ('PFS') for the Project in 2013, the Company has appointed Lycopodium Minerals Pty Ltd ('Lycopodium') as the Lead Engineer for the DFS. This appointment was completed following a comprehensive and competitive tender process.

Lycopodium is a leading international engineering and project management firm providing a complete range of services for the evaluation, development, implementation and optimisation of projects across a broad range of industries. Importantly, Lycopodium has an extensive track record of successful involvement in gold projects throughout the world, particularly in francophone West Africa.

Lycopodium will manage a team of expert subcontractors, all of whom have extensive experience within their direct area of responsibility.

The Company has also recently appointed an experienced Project Manager, Mr Peder Olsen, to manage the overall DFS. Mr Olsen has extensive project management and operating experience in West Africa, including most recently, the design and construction of the Agbaou gold mine in Cote D'Ivoire.

Papillon's Managing Director and CEO, Mark Connelly, said:

"We continue to focus on rapidly de-risking Fekola and moving it towards production, and the commencement of the DFS represents another step towards that objective for Papillon. The DFS represents the final stage before formal commencement of construction at Fekola. Lycopodium has significant and recent experience in the construction and commissioning of gold mines in West Africa and its appointment will allow Papillon to fully realise the outstanding potential of the world class Fekola Project."

About Lycopodium

Lycopodium is a leading international engineering and project management firm headquartered in Australia. Lycopodium provides a complete range of services for the evaluation, development, implementation and optimisation of projects across a broad range of industries. Lycopodium has an extensive track record of successful involvement in gold projects throughout the World, particularly in West Africa, and some of their recent work has included:

- Akyem gold project, Ghana (8.5Mtpa) – feasibility study, design and construction services (completed 2013);
- Ahafo gold project, Ghana (7.5Mtpa) – feasibility studies, design and construction services (completed 2006);
- Bissa gold project (3.0Mtpa), Burkina Faso – design and construction services (completed 2012);
- Agbaou gold project, Côte d'Ivoire (1.6Mtpa) – design and construction services (completed 2013); and
- Nzema gold project, Ghana (2.1Mtpa) – project management, design and construction services (completed 2011).



Figure 2: Fekola Gold Project Location

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Forward Looking Statement

Statements regarding plans with respect to the Company's mineral properties are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.