

ASX RELEASE | 3 June 2014 | ASX:PIR

PAPILLON RESOURCES LIMITED AND B2GOLD CORP. SIGN MERGER IMPLEMENTATION AGREEMENT

Perth, 3 June 2014 – Papillon Resources Limited (ASX: PIR) (“Papillon”) is pleased to announce that it has entered into a definitive Merger Implementation Agreement (“Merger Agreement”) with B2Gold Corp. (TSX: BTO, NYSE MKT: BTG, NSX: B2G) (“B2Gold”) to combine the two companies at an agreed exchange ratio of 0.661 B2Gold common shares for each Papillon share held (“Merger Consideration”).

The Merger Consideration represents a purchase price of approximately A\$1.72 per Papillon share and values the transaction at approximately A\$615 million. Papillon has been in trading halt/suspension since 26 May 2014, following receipt of an indicative non-binding proposal from B2Gold. Whilst Papillon shares have not been trading since 23 May 2014, the B2Gold share price has fallen since that time due to a combination of the gold price volatility and media speculation surrounding this transaction.

The premium implied by the B2Gold offer as at 23 May 2014 (being the last closing price before the B2Gold proposal was received) and the last closing price of each company on 2 June, 2014 are:

	23 May 2014	2 June 2014
Premium to the 20 day volume weighted average price of each of B2Gold (TSX) and Papillon (ASX)	52.7%	42.4%
Premium to last closing price of B2Gold and Papillon	36.5%	20.6%

The merger will be implemented by way of a Scheme of Arrangement under the Australian Corporations Act 2001 (“Scheme”). Upon completion of the Scheme, existing B2Gold shareholders and former Papillon shareholders will own approximately 74% and 26%, respectively, of the issued common shares of the combined company.

The combination of B2Gold and Papillon will result in a company with a significant growth profile beyond its 3 operating mines which collectively produced 366,000 ounces of gold in 2013 at a cash cost of C\$681 and an all in sustaining cost of C\$1,064 per ounce.

B2Gold’s production is projected to increase significantly as the low cost Otjikoto mine in Namibia begins gold production in late 2014. The combined company will be focussed on furthering the development of the Fekola project in Mali, and continuing to operate B2Gold’s existing Masbate gold mine in the Philippines and the Limon and La Libertad gold mines in Nicaragua.

Further, the combined company will possess a strong growth profile through its Otjikoto project, the Kiaka project in Burkina Faso and the Gramalote project (51% AngloGold Ashanti/49% B2Gold joint venture) in Colombia. The combined company will have the management, development, construction, operational and in-country experience combined with the funding capacity to optimise the development of Fekola for the benefit of all shareholders. B2Gold is one of the few mining companies with a proven in-house construction team with a track record of building high quality plants and infrastructure while reducing capital costs. In addition, B2Gold has a highly regarded and experienced exploration team that sees significant exploration potential at the Fekola project, in addition to B2Gold's existing assets.

"The combination of Papillon and B2Gold provides Papillon shareholders with the opportunity to gain immediate exposure to a significant, growth orientated and profitable producer with diversified operations whilst still retaining material exposure to the upside potential of Fekola. B2Gold's track record of successful mine development and operation, coupled with its balance sheet, cashflows and funding capacity will de-risk the development of Fekola and should maximize the value of the project for both Papillon and B2Gold shareholders." commented Mark Connelly, Managing Director and Chief Executive Officer of Papillon.

"At B2Gold, we are excited about the merger with Papillon as it will add the high grade Fekola project to our rapid growth as a profitable gold producer. We believe this merger will bring great value to all shareholders and we congratulate Papillon's strong technical team on advancing the impressive Fekola project to a robust prefeasibility study and look forward to working together to advance the project to production" said Clive Johnson, President and Chief Executive Officer of B2Gold.

Post Transaction Highlights of B2Gold

- *Rapidly Expanding Profitable Production Profile*

B2Gold is currently producing gold from three operating mines and is projecting significant growth in gold production by 2017 from five operating mines when Otjikoto and Fekola are both in production (based on current assumptions).

- *Add Significant High Graded Resource Base*

The proposed merger adds significant high grade resources to B2Gold's existing resources.

- *Aggressive Exploration Agenda*

Significant exploration programs at existing mines and development stage projects including Fekola, as well as at highly prospective earlier stage projects in Nicaragua, the Philippines, Columbia and Burkina Faso.

- *Operational & Geographic Diversification*

Production and development assets spanning three continents and located in high-growth emerging economies, serving to mitigate collective operational and geopolitical risk.

- *Builds on Strong African Presence and Expertise*

Fekola is targeted, subject to a definitive feasibility study, to be the next construction project for B2Gold's Otjikoto Development Team and a seamless transition after commissioning Otjikoto in Q4 2014.

- *Strong Financial Position*

Cash and cash equivalent assets of approximately C\$190 million which, in addition to continued strong cash flow from operations and unused debt capacity of C\$150, coupled with good access to capital, will allow B2Gold substantial flexibility for future development activities including Fekola.

- *Experienced Management Team*

Proven combined management and technical personnel with extensive exploration, mine development, operating, in-country and financial expertise.

Board of Directors' Recommendations

The Board of Directors of Papillon unanimously recommends that Papillon shareholders vote in favour of the proposed Scheme, in the absence of a superior proposal for Papillon and subject to an Independent Expert opining that the Scheme is in the best interests of Papillon shareholders. On the same basis, each director of Papillon intends to vote all Papillon shares which they control, at the time of the Papillon shareholder meeting to approve the Scheme, in favour of the Scheme and any other scheme related matters. The meeting of Papillon shareholders to approve the Scheme will be convened later in 2014 – see following Indicative Timetable.

The Board of Directors of B2Gold unanimously recommends that B2Gold shareholders vote in favour of the issuance of B2Gold common shares pursuant to the Scheme and as consideration for the cancellation of the Papillon options. On the same basis, each director and officer of B2Gold intends to vote all B2Gold common shares over which they have control in favour of the issuance of B2Gold shares pursuant to the Scheme and any other Scheme related matters at a special meeting of B2Gold shareholders to be convened later in 2014 – see following Indicative Timetable.

The Boards of Directors of each of Papillon and B2Gold have determined that the proposed transaction is in the best interests of their respective shareholders based on a number of factors, including financial advice received from their respective financial advisors (in the absence of a superior proposal for Papillon and subject to an independent expert opining that the Scheme is in the best interests of Papillon shareholders).

Transaction Structure and Terms

Pursuant to the Merger Agreement, it is proposed that B2Gold will acquire all the issued and ordinary shares of Papillon by way of a Scheme of Arrangement under the Australian Corporations Act 2001 (Cth). Under the terms of the Scheme, Papillon shareholders will receive 0.661 B2Gold common shares for each existing Papillon ordinary share they hold. B2Gold shareholders will continue to hold their existing B2Gold common shares.

B2Gold also proposes to cancel all outstanding Papillon options and issue B2Gold shares as consideration for the cancellation of the options based on the in the money amount of such Papillon options based upon the value implied by the Merger Consideration as at 2 June 2014. Papillon also has a number of performance rights that will automatically vest into ordinary shares upon court approval of the Scheme in accordance with the terms of the performance rights, and form part of the Scheme.

The merger is subject to regulatory, Australian Court, shareholder, and third party approvals, together with other customary conditions. Regulatory approvals include approval by the Australian Foreign Investment Review Board, the Australian Securities and Investments Commission and the Australian Stock Exchange (the "ASX"), and approval by the Toronto Stock Exchange and NYSE MKT in respect of the issue of new B2Gold common shares under the Scheme and as consideration for the cancellation of the Papillon options.

A Scheme Booklet setting out the terms of the Scheme, independent expert's report and the reasons for the Papillon directors' recommendation is expected to be circulated to all Papillon shareholders. A meeting of Papillon shareholders to consider the Scheme is expected to be held later in the year and the Scheme is expected to be implemented shortly thereafter. The Scheme is conditional upon approval by 75% of the number of votes cast, and 50% of the number of Papillon shareholders present and voting, at the meeting of Papillon shareholders.

In addition to the approval by Papillon shareholders, the Scheme is conditional upon B2Gold shareholders approving the issuance of B2Gold common shares that will be issued in connection with the Scheme and as consideration for the cancellation of the Papillon options by a simple majority of the B2Gold common shares that are voted at a shareholder meeting to be held in reasonable proximity to the Papillon shareholder meeting

The Merger Agreement also contains customary deal protection mechanisms, including no shop and no talk provisions, matching and notification rights in the event of a competing proposal and a mutual reimbursement fee payable by B2Gold or Papillon in specified circumstances.

The Merger Agreement will be released to the ASX by Papillon separately.

Indicative Timetable

The indicative timetable for implementation of the transaction is anticipated to be as follows:

Event	Target Date
1st Court hearing to approve Scheme booklet	Late July
B2Gold circular sent to B2Gold shareholders	Early August
Scheme booklet sent to Papillon shareholders	Early August
B2Gold shareholder meeting	Early September
Papillon Scheme meeting	Early September

2nd Court hearing to approve Papillon Scheme	Mid September
Scheme becomes effective	Mid September
Papillon shareholders receive B2Gold shares	Late September
New B2Gold shares become tradeable on the TSX and NYSE-MKT	Late September

* Note target dates are subject to change

Advisors

Papillon's financial advisor is Macquarie Capital, its Australian legal counsel is Hardy Bowen and its Canadian legal counsel is Stikeman Elliott LLP.

About B2Gold

B2Gold Corp. is a Vancouver based gold producer with two mines in Nicaragua, one mine in the Philippines, one mine under construction in Namibia and a strong portfolio of development and exploration assets in Nicaragua, the Philippines, Namibia and Colombia. B2Gold was founded in 2007 by the former executive and management team of Bema Gold Corporation. Bema grew from a junior explorer to an international gold producer that was acquired by Kinross Gold Corporation through a C\$3.5 billion transaction in February 2007. B2Gold's corporate objective is to build further shareholder value through the exploration and development of existing projects and additional accretive acquisitions, capitalizing on the extensive experience and relationships that management has developed over the past 25 years. B2Gold trades on the Toronto Stock Exchange under the symbol "BTO", on the NYSE MKT under the symbol "BTG" and on the Namibian Stock Exchange under the symbol "B2G".

About Papillon

Papillon Resources Limited is an emerging West African gold developer focused on aggressively fast-tracking the exploration, appraisal and development of its flagship Fekola project, located in south western Mali adjacent to the border with Senegal, in order to fulfil its vision of becoming a gold producer in the near term.

Conference Call

A conference call will be held on 4 June 2014, 9:30am (Sydney), and 7:30am (Perth), to discuss the transaction. Please use the following information to access the call:

Toll Free: 1800 558 698
 International: +61 2 9007 3187
 Conference ID: 654094

There will be a question and answer session following management presentations during the call.

A playback version of the call will be available for one week after the call by dialing 1800 638 985 (pass code: 9177).

For more information on the transaction or B2Gold please visit the web site at www.b2gold.com For more information on Papillon please visit the web site www.papillonresources.com or contact:

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Cautionary Note Regarding Forward-Looking Information

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.

Competent Person Statement

The information in this report that relates to the Mineral Resources of Papillon Resources Limited was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The information in this report that relates to Mineral Resources is based on, and fairly represents, information compiled by Mr Nic Johnson of MPR Geological Consultants. Mr Johnson is a Member of the Australian Institute of Geoscientists and has sufficient experience, which 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 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Johnson consents to the inclusion in this Report of the statements based on his information in the form and context in which it appears.