ASX RELEASE | 12 June 2014 | ASX:PIR

MENANKOTO SUD CONTINUES TO DELIVER POSITIVE DRILLING RESULTS

- Follow-up drilling results from Menankoto Sud include **10 metres @ 4.61 g/t** from 12 metres, **30 metres @ 2.01 g/t** from 13 metres and **7 metres @ 3.22 g/t** from 40 metres;
- Broad zones of anomalous gold mineralisation encountered;
- Anomalous gold results recorded in all 12 holes assayed to-date over strike length of 1.2 kilometres;
- Menankoto Sud is located 13 kilometres north of the Fekola deposit; and
- Drilling continues over multiple gold targets defined in a 4.5 kilometre by 3.0 kilometre corridor.

Papillon Resources Limited ('Papillon' or 'Company') is pleased to announce that follow-up drilling at the Company's Menankoto Sud Exploration Permit ('Menankoto Sud') has continued to yield extremely encouraging results. Menankoto Sud is located approximately 13 kilometres to the north of the Company's Fekola Project ('Fekola') located in south western Mali.

Menankoto Sud encompasses the interpreted northern continuation of the 'Fekola Corridor' which is defined by a highly prospective, 22 kilometre long, north northwest oriented structure. The tenement exhibits extensive soil geochemical anomalies similar in nature to those seen around Fekola, which currently contains a Mineral Resource Estimate of 5.15 million ounces @ 2.35 g/t gold.

The follow-up drilling program currently underway at Menankoto Sud is targeting extensions of mineralisation previously intersected (refer ASX announcement dated 24 February 2014), as well as testing additional anomalies that have not yet been drilled. 27 reverse circulation ('RC') drill holes, for approximately 3,170 metres, have been drilled to-date as part of the program.

Assay results returned from the first 12 holes targeting the strike extension of mineralisation previously encountered in drill holes MSR 006 (13 metres @ 2.36 g/t) and MSR 013 (11 metres @ 2.16 g/t), have yielded extremely encouraging results. Select intercepts include:

Hole No.	*Down Hole Intercept*	*From Depth (Down Hole)*
MSR 016	***30m @ 2.01 g/t***	***13m***
MSR 021	***7m @ 3.22 g/t*** ***4m @ 6.29 g/t***	***40m*** ***90m***
MSR 025	***4m @ 4.26 g/t***	***55m***
MSR 026	***10m @ 4.61 g/t***	***12m***

Papillon's Managing Director and CEO, Mark Connelly, said: *"We are very pleased with these follow-up results from the current program at Menankoto Sud. The results continue to support the view that Menankoto Sud has the potential to host significant gold mineralisation and our geological team's belief that this tenement encompasses the continuation of the prolific Fekola Corridor."*

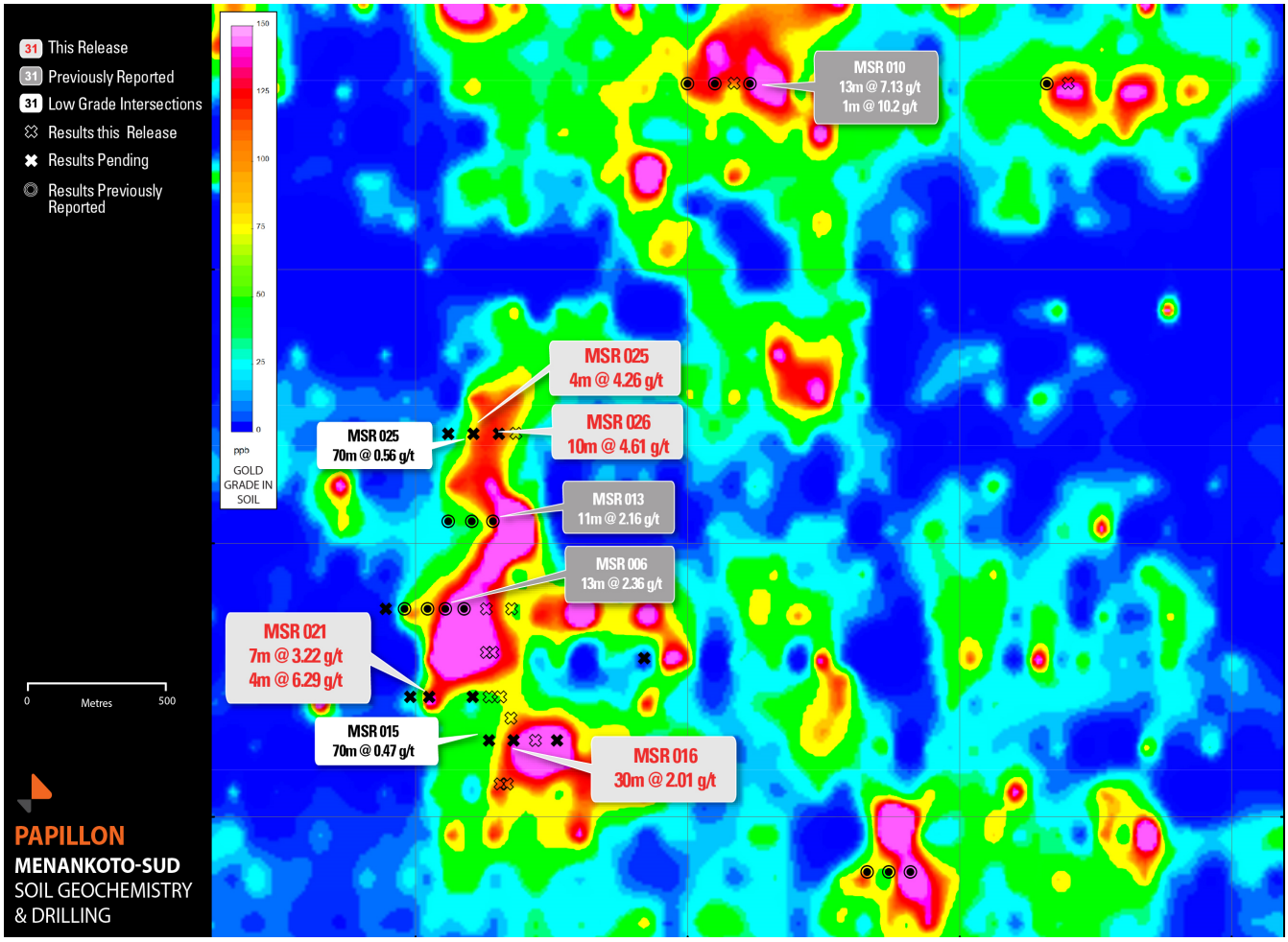

Figure 1: Drill hole location with selected intersections on soil geochemical coverage

Whilst the drilling conducted at Menankoto Sud is still at an early stage, it represents an extremely exciting prospect for the Company and will be the focus of continuing exploration work to determine the economic potential of this discovery and its integration into the Fekola Project.

Papillon remains focussed on assessing the development potential of the world class Fekola deposit and advancing it towards production, whilst continuing to fully realise the exceptional exploration prospectivity of the Fekola Corridor.

MENANKOTO SUD

The Company's Menankoto Sud Exploration Permit is located approximately 13 kilometres north of Company's flagship Fekola Project in south western Mali adjacent to the border with Senegal (refer Figure 2).

Menankoto Sud is situated on the interpreted extension of the Fekola Corridor, 6km to the north of the Medinandi Permit, which hosts the Company's flagship Fekola Project. The Exploration Permit for Menankoto Sud was recently granted by the Ministry of Mines and Industry and is valid for three years with two further two year renewals. The Company has a 95% interest in Menankoto Sud, the remaining 5% held by a local Malian partner. Papillon will fund all exploration activities under a loan carried agreement with its partner.

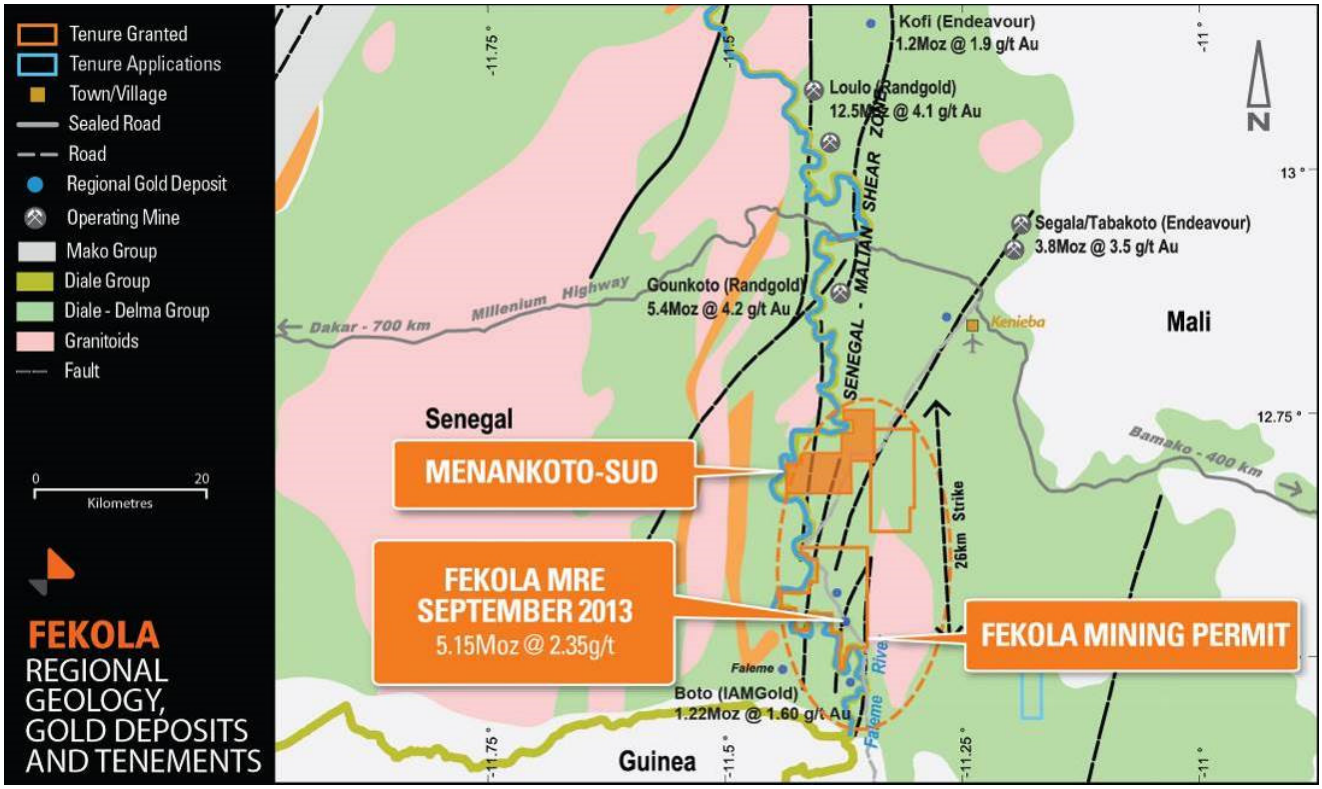

Figure 2: Mali West Regional Geology, Gold Deposits and Papillon Tenements

Previous Exploration

During the 1980's the French Geological Survey ('BRGM') undertook regional soil sampling programs, which identified localised gold-in-soil anomalies. Between 1999 and 2005 Randgold Limited held the northern half of the recently granted Exploration Permit and undertook lithological sampling, test pits and trenching, which also revealed a number of gold anomalies on the northern border of the tenement.

In 2012, while the tenement was under an initial reconnaissance licence, Papillon completed a comprehensive soil geochemistry program over the entire area. These results indicated a continuation of the Fekola Corridor and allowed the identification of a number of geochemical anomalies with characteristics similar to those observed at the Company's Fekola Deposit (Figure 1). Furthermore, a geological field mapping program identified a lithological package which was strongly analogous to the host lithology of the Fekola Deposit.

The geochemical anomalies show a north-northwest orientation over a 4.5km strike length and 3km width. Within this corridor, five areas with gold-in-soil anomalies exceeding 250 ppb (compared to background of 2.5 - 25.0 ppb) have been defined, with a peak gold-in-soil anomalous value of 3,524 ppb (3.52 g/t).

The areal extent and amplitude of the geochemical anomalism identified at Menankoto Sud compares extremely favourably with that observed at the Company's flagship Fekola Project, located 13km to the south (refer Figure 3), and represents an exciting exploration prospect for the Company.

During December 2013, the Company completed a reconnaissance program of shallow reverse circulation ('RC') drilling, comprising 14 holes for approximately 1,900m with results being received and released earlier this year (refer ASX announcement dated 24 February 2014).

Key results from this initial program included:

Hole No.	Down Hole Intercept	From Depth (Down Hole)
MSR 010	13m @ 7.13 g/t 1m @ 10.2 g/t	33m 10m
MSR 006	13m @ 2.36 g/t	10m
MSR 005	10m @ 2.42 g/t	17m
MSR 013	11m @ 2.16 g/t	28m
MSR 004	2m @ 5.25 g/t	70m

Subsequent to this Papillon completed a ground-based geophysical program which has improved the structural interpretation over the permit. This new interpretation has been used in defining and prioritising areas for follow-up and extension drilling, as well as in assisting in the targeting of geochemical anomalies yet to be drill tested.

New Drilling Results

A program of follow-up RC drilling is currently underway with 27 holes for approximately 3,170m of drilling completed to-date.

Assay results from the 12 holes included in the first dispatch of samples sent to the laboratory have now been received. These samples are from drilling focussed on extending, along strike to the north and south, the mineralisation intercepted previously in drill holes MSR 006 and MSR 013 during the initial reconnaissance drilling program in December.

These new results support the view of an extensive mineralised system at Menankoto Sud, with all drill holes received to-date having anomalous gold values. Select intercepts include:

Hole No.	Down Hole Intercept	From Depth (Down Hole)
MSR 016	30m @ 2.01 g/t	13m
MSR 021	7m @ 3.22 g/t 4m @ 6.29 g/t	40m 90m
MSR 025	4m @ 4.26 g/t	55m
MSR 026	10m @ 4.61 g/t	12m

These new results indicate the extension of mineralisation within the near surface to the north and south of previously completed drilling. The assay results returned from new drill holes MSR 016 (30m @ 2.01 g/t from 13m) and MSR 026 (10m @ 4.61 g/t from 12m) indicate that, based on the broad spaced lines (approximately 300m line spacing), mineralisation extends over a strike length of approximately 1,200m and remains open to the north and south.

Whilst awaiting these initial results, drilling has been focussed on testing other proximal geochemical anomalies. The assay results from this drilling are expected to be received over the coming weeks.

Drilling will now be focused on defining continuity of mineralisation between the currently broad spaced sections, as well as continuing to test the extension of the shallow mineralisation to the north and south as part of the Company's current exploration strategy of identifying near-surface, open pit able opportunities within close proximity to the planned processing infrastructure at Fekola.

All significant intersections returned from the RC drill holes, along with the details of the collar positions, dips, azimuths and depths, are summarised in Appendix 1.

Geology and Exploration Potential

The Menankoto Sud geology consists of a sequence of sedimentary argillites, turbidites, carbonates and brecciated mafic volcanics. Alteration associated with mineralisation within fresh rock consists of a carbonate, sericite, albite assemblage containing fine disseminated pyrite. Both the geology and alteration assemblage has similarities to that seen at Fekola to the south.

Gold mineralisation within weathered saprolite is common with a depth of weathering between 30 and 60m, with higher grades currently observed to be predominately at the base of weathering. Of further significance is the broad lower level gold anomalism observed within the fresh rock intersected in many drill holes.

When the results received to-date from drilling within fresh rock are reviewed using lower grade thresholds, better reflecting broad gold mineralisation rather than potential ore grade intersections, gold bearing zones of up to 70m thicknesses become evident. Appendix 2 provides a listing of all drilling within fresh rock summarised with a lower grade threshold to highlight the significant widths of lower grade gold present. Key widths include:

Hole No.	*Down Hole Intercept*	*From Depth (Down Hole)*
MSR 025	***70m @ 0.56 g/t***	***51m***
MSR 015	***70m @ 0.47 g/t***	***59m***
MSR 013	***24m @ 1.24 g/t***	***21m***
MSR 021	***13m @ 2.20 g/t***	***82m***
MSR 004	***48m @ 0.55 g/t***	***70m***

These thick low grade zones of gold mineralisation are significant at Menankoto Sud as it demonstrates a broad gold system which the Company interprets to be the continuation along the Fekola Corridor of the gold system hosting Fekola (Figure 3), and supports the continued exploration potential within fresh rock. Broad zones of low grade gold such as these are present along strike from Fekola and were an early indication of the Fekola system prior to its discovery. It is viewed that the largest low grade widths of mineralisation currently intersected within the project in drill holes MSR 025 and MSR 015, which lie at the northern and southern extent of the main zone of drilling completed to-date, supports exploration into the fresh rock beneath the mineralisation currently observed within the saprolite below the surface geochemical anomalism.

Due to the deeper weathering seen at Menankoto Sud when compared to at Fekola, along with the Company's current strategy of focussing on near-surface mineralisation, these broad zones have not currently been systematically followed up. The incorporation of the full results from the current drilling campaign will form the basis for a systematic program of drilling in the 2014/15 season which will commence after the upcoming wet season.

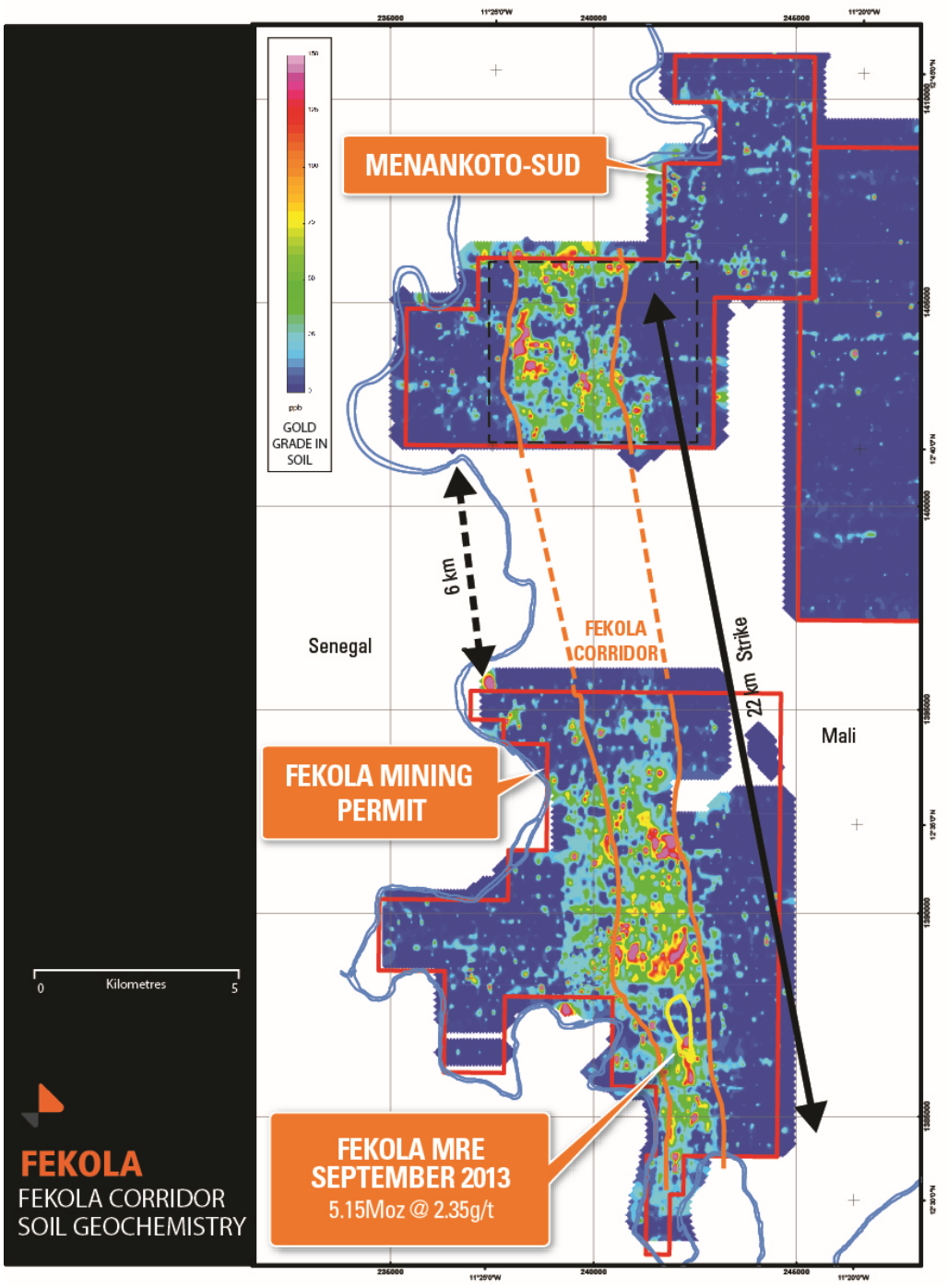

Figure 3: Menankoto Sud and Fekola Project soil geochemistry

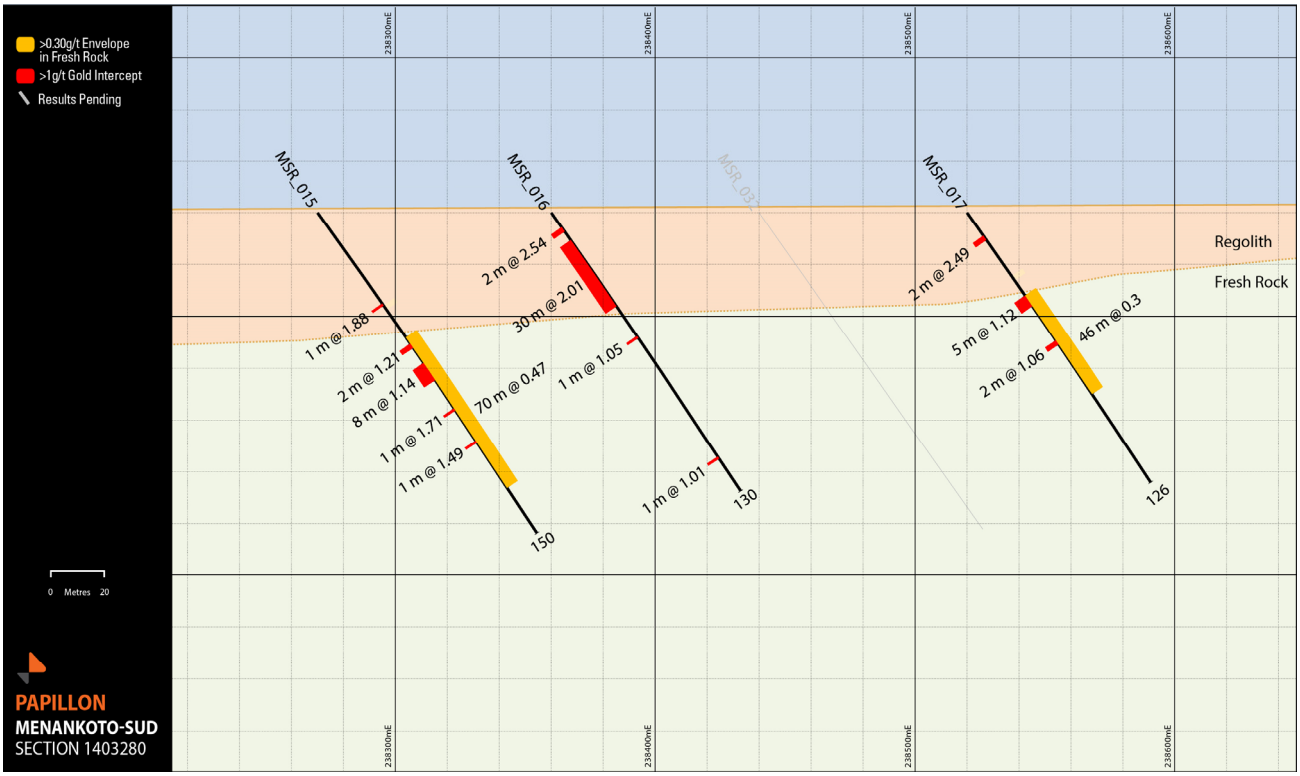

Figure 4: Menankoto Sud cross section 1403280mN

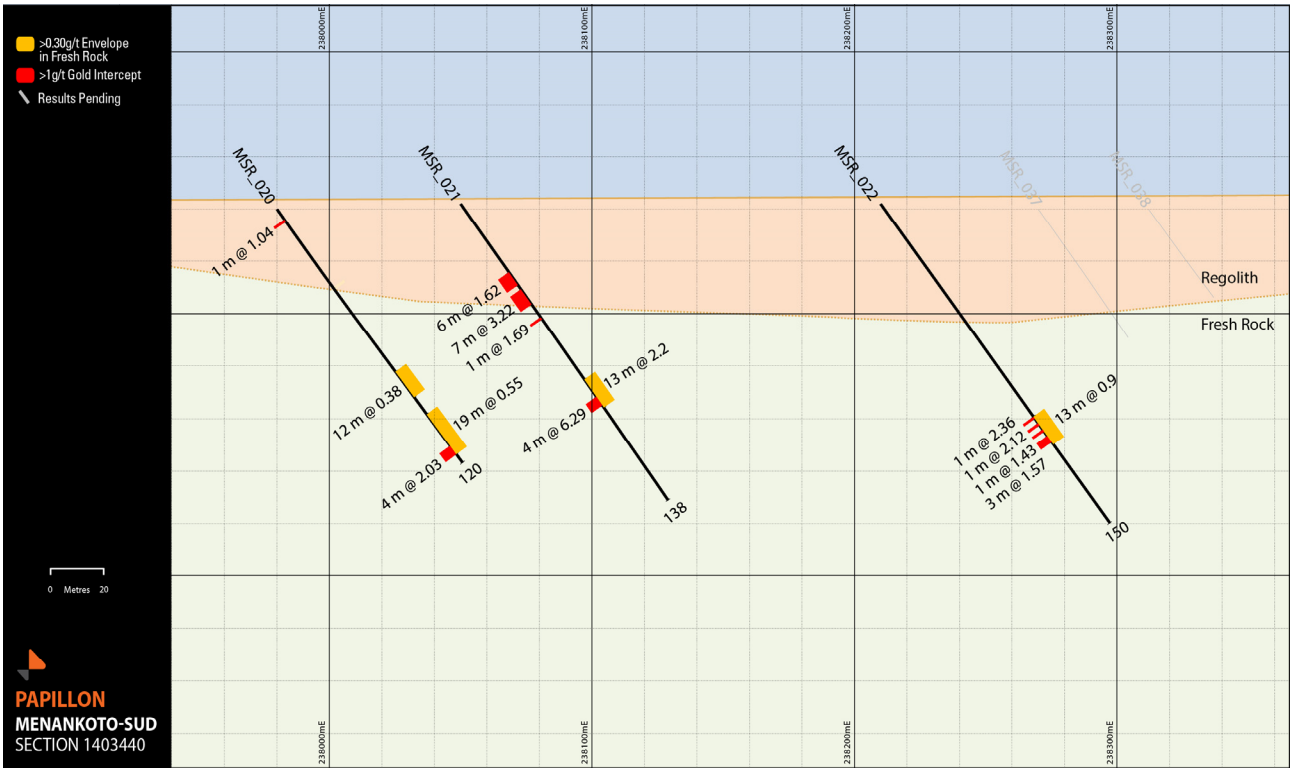

Figure 5: Menankoto Sud cross section 1403440mN

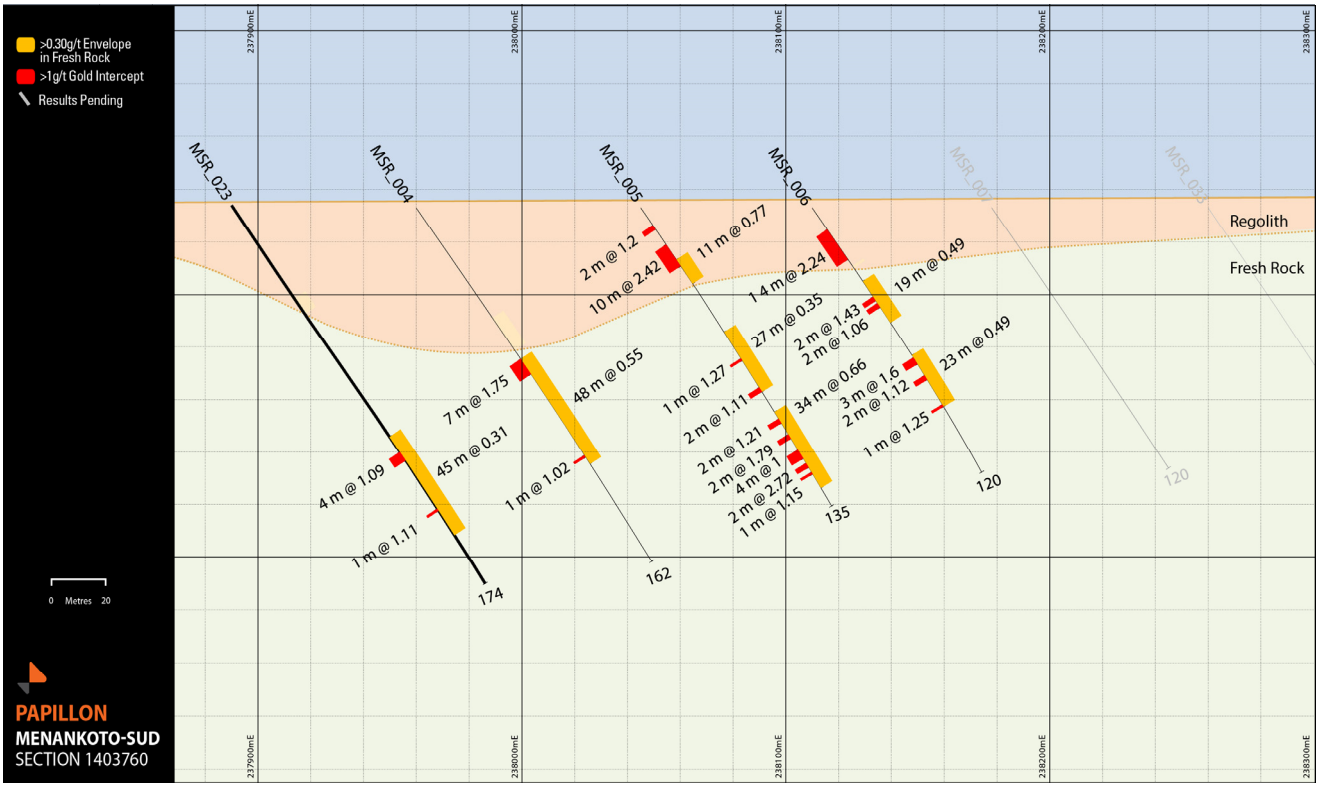

Figure 6: Menankoto Sud cross section 1403760mN

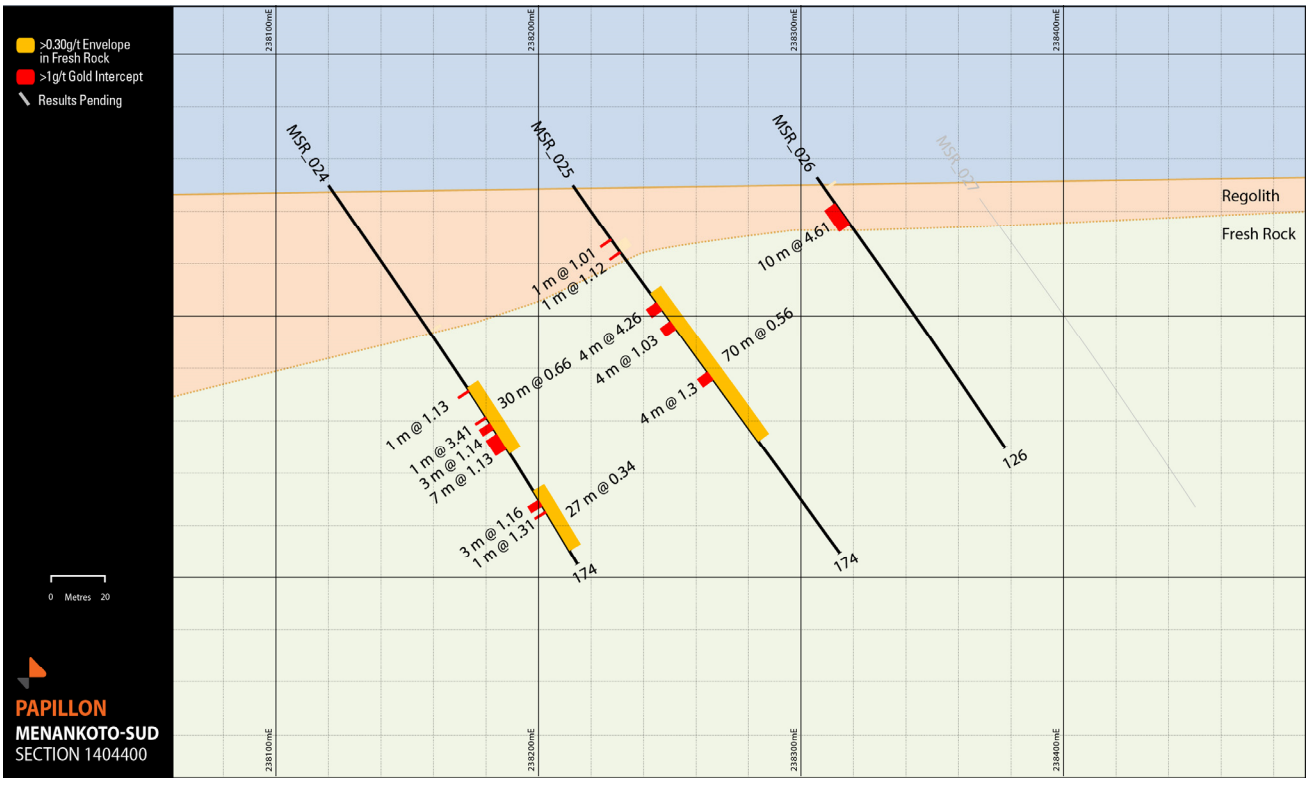

Figure 7: Menankoto Sud cross section 1404400mN

CORPORATE

Proposed Merger with B2Gold

On 3 June 2014, the Company announced that it had entered into a definitive Merger Implementation Agreement (**Merger Agreement**) with B2Gold Corp. (**B2Gold**) to combine the two companies at an agreed exchange ratio of 0.661 B2Gold shares for each Papillon share held (**Merger Consideration**). The merger will be implemented by way of a Scheme of Arrangement (**Scheme**).

The Company is currently preparing a Scheme Booklet for shareholders and has commissioned BDO Corporate Finance (WA) Pty Ltd to provide an independent expert's report on the Scheme. Both documents will be filed with ASIC for review before being dispatched to shareholders.

A meeting of Papillon shareholders to consider the Scheme is expected to be held in September and the Scheme is expected to be implemented shortly thereafter. The Company will provide a further update on the indicative Scheme timetable once the first Court hearing date is confirmed.

Director Resignation

The Company advises that Mr Peter Woodman has resigned as a Director of the Company, effective immediately, due to the increased executive time commitments of his other business interests. The Board would like to thank Mr Woodman for the significant contribution he has made to the Company and wishes him every success in his future endeavours.

Mr Woodman remains supportive of the proposed merger with B2Gold, in the absence of a superior proposal, and Mr Woodman still intends to vote all Papillon shares which he controls, at the time of the Papillon shareholder meeting to approve the merger, in favour of the merger.

ZTS Claim

The proceedings in relation to the claim made against the Company by Etablissements Zoumana Traoré SARL (**ZTS**) in the Commercial Tribunal of Bamako (refer ASX announcement dated 7 April 2014) are continuing. The Commercial Tribunal has made an interim order that 17% of Songhoi Resources SARL's (**Songhoi**) shares be placed in escrow pending a final decision in the proceedings. The Company considers that the interim order is procedurally invalid and substantively unmeritorious and has appealed the interim order.

In relation to the main proceedings, the Company considers ZTS's claim to be without merit and is strongly defending its position before the Commercial Tribunal of Bamako. In addition, Papillon has initiated ICC arbitral proceedings in Paris in order to secure its rights against ZTS and other respondents, which has now been registered by the ICC Secretariat. Information regarding the ZTS claim was announced to the market on 7 April 2014 and disclosed to B2Gold prior to signing the Merger Agreement. The proceedings are unlikely to be resolved prior to the Scheme becoming effective.

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Competent Persons Statement

The information in this Report that relates to Exploration Results is based on information compiled by Mr Andrew Boyd of Cairn Geoscience Limited. Mr Boyd 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('The JORC Code'). Mr Boyd consents to the inclusion in this Report of the statements based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources 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.

The Mineral Resource Estimate for the Fekola Project is:

Fekola Project Mineral Resource Estimate, September 2013			
	Tonnage (million tonnes)	*Grade (gold g/t)*	*Contained Gold (million ounces)*
Measured Resource	*40.44*	*2.43*	*3.16*
Indicated Resource	*19.57*	*2.35*	*1.48*
Sub Total Measured & Indicated	*60.01*	*2.40*	*4.64*
Inferred Resource	*8.3*	*1.9*	*0.5*
Total Resource	*68.29*	*2.35*	*5.15*

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.

Appendix 1: Summary of Drill Results

Hole No.	Easting (m E)	Northing (m N)	EOH (m)	Dip (°)	Azimuth (°)	From (m)	To (m)	Length (m)	Grade (g/t Au)
MSR 015	238270	1403280	150	-55	90	43	44	1	1.88
						62	64	2	1.21
						71	79	8	1.14
						92	93	1	1.71
						107	108	1	1.49
MSR 016	238360	1403280	130	-55	90	7	9	2	2.54
						13	43	30	2.01
						58	59	1	1.05
						114	115	1	1.01
MSR 017	238520	1403280	126	-55	90	11	13	2	2.49
						39	44	5	1.12
						60	62	2	1.06
MSR 018	238840	1403580	132	-55	90	59	63	4	1.11
						67	68	1	1.15
						97	108	11	1.07
						126	127	1	1.20
MSR 019	238915	1403580	132	-55	90	0	5	5	1.67
						82	84	2	3.11
MSR 020	237980	1403440	120	-55	90	5	6	1	1.04
						112	116	4	2.03
MSR 021	238050	1403440	138	-55	90	32	38	6	1.62
						40	47	7	3.22
						53	54	1	1.69
						90	94	4	6.29
MSR 022	238210	1403440	150	-55	90	100	101	1	2.36
						103	104	1	2.12
						106	107	1	1.43
						109	112	3	1.57
MSR 023	237890	1403760	174	-55	90	114	118	4	1.09
						140	141	1	1.11
MSR 024	238120	1404400	174	-55	90	95	96	1	1.13
						107	108	1	3.41
						110	113	3	1.14
						115	122	7	1.13
						145	148	3	1.16
						150	151	1	1.31
MSR 025	238213	1404400	174	-55	90	25	26	1	1.01
						31	32	1	1.12
						55	59	4	4.26
						64	68	4	1.03
						88	92	4	1.30
MSR 026	238306	1404400	126	-55	90	12	22	10	4.61

Appendix 2: Summary of Significant low grade intersections

>10m width and >0.30 g/t grade within fresh rock

Hole No.	From (m)	To (m)	Length (m)	Grade (g/t Au)
MSR 004	70	118	48	0.55
MSR 005	24	35	11	0.77
	57	84	27	0.35
	93	127	34	0.66
MSR 006	34	53	19	0.49
	68	91	23	0.49
MSR 011	41	77	36	0.34
MSR 012	18	38	20	0.37
	113	126	13	0.39
MSR 013	21	45	24	1.24
MSR 015	59	129	70	0.47
MSR 017	39	85	46	0.30
MSR 018	54	72	18	0.62
	85	131	46	0.39
MSR 020	77	89	12	0.38
	97	116	19	0.55
MSR 021	82	95	13	2.20
MSR 022	100	113	13	0.90
MSR 023	107	152	45	0.31
MSR 024	94	124	30	0.66
	141	168	27	0.34
MSR 025	51	121	70	0.56

Appendix 3

JORC Code, 2012 Edition – 'Table 1' report.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Exploration Reverse Circulation (RC) drilling was collected from a cyclone and sampled at 1m down hole intervals.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Drillhole collar locations were surveyed by GPS to a ~5m horizontal accuracy. Down hole drill hole surveys were undertaken by the drill contractor utilising a Reflex EZ-Shot downhole survey instrument and by single shot Eastman Cameras. The surveys were taken every 30m down hole. No strongly magnetic rock units are present within the deposit which may upset magnetic based readings. Certified reference materials (CRM) and blanks were inserted into sample streams to assess the accuracy, precision and methodology of the external laboratories utilised. In addition duplicate samples were inserted to assess the variability of the gold mineralisation. Over 10% of all assays were related to quality assurance (QA) checks. In addition the laboratories utilised undertook their own duplicate sampling as part of their own internal QA processes. Examination of the QA/QC sample data indicates satisfactory performance of field sampling protocols and assay laboratories providing acceptable levels of precision and accuracy.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	RC samples were collected on 1m intervals and split using a four tier riffle splitter to provide an approximate 2kg sample. All samples were sent to an external laboratory for preparation and analysis. Samples were dried, crushed and pulverised to get 85% of the sample passing a 75µm sieve to provide a 50g charge for a lead collection fire assay with an AAS finish. The samples were sent to the SGS laboratory in Bamako, Mali.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Drilling was by the RC method.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	RC chip sample weights are recorded at the rig and are also visually assessed for moisture content with this information being recorded into the database and routinely reviewed to monitor recoveries on a weekly basis. Sample quality was considered to be suitable for use.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The RC drilling rigs had access to booster compressors which were utilised to ensure dry samples where possible. All sample intervals were assayed.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	The RC sample recoveries are of an acceptable level and no bias is expected from sample losses.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	RC chip samples have been logged for lithology, alteration, mineral assemblage, veining and selective magnetic susceptibility.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging is qualitative in nature. RC chip trays have been photographed.
	The total length and percentage of the relevant intersections logged.	All RC chips have been logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable – RC drilling only.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC intervals have been sampled by splitting dry samples utilising a four tier riffle splitter. Where samples are wet they have been dried prior to splitting.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All samples were sent to an external laboratory for preparation and analysis. Samples were dried, crushed and pulverised to get 85% of the sample passing a 75µm sieve to provide a 50g charge for a lead collection fire assay with an AAS finish.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Routine weighing of the RC field reject and riffle split samples were undertaken to monitor representivity of samples.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Duplicate splits of RC samples were undertaken on a 1:20 basis. These showed acceptable variation and repeatability.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	No significant coarse gold has been observed in the Fekola Corridor therefore the 2kg sample split for RC and half core samples of the core holes is currently considered appropriate.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Gold assays were obtained by using a 50g charge for a lead collection fire assay with an AAS finish. This is considered to be a total gold estimate.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical methods or handheld XRFs were utilised to estimate or ascertain gold grades.

Criteria	JORC Code explanation	Commentary
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	CRM, blanks and duplicates are regularly inserted into the sample preparation and analysis process with approximately 10% of all samples being related to quality control. Umpire samples are routinely sent to an alternate lab to check 10% of mineralised samples. The laboratories utilised also maintain their own process of QA/QC utilising CRMs, repeats and duplicates Review of the companies quality control samples as well as the laboratories QAQC has shown no sample preparation issues, acceptable levels of accuracy and precision and no bias to the analytical datasets.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Reported significant intervals were reviewed and checked by geological and then senior geological management
	The use of twinned holes.	No holes were twinned in this program.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All primary data is recorded to paper forms designed by the Company. Data is then keypunched into controlled excel templates with validation. The templates are then provided to an external database management company for loading and validation into a structured relational database. The external database management company maintains archives and backups of all digital data and provides daily updates back to the Company. These procedures are documented within Papillon's geological procedures manuals.
	Discuss any adjustment to assay data.	No adjustments to assay values have been made.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drillhole collar locations were surveyed by GPS to a ~5m horizontal accuracy. Down hole drill hole surveys were undertaken by the drill contractor utilising a Reflex EZ-Shot downhole survey instrument and by single shot Eastman Cameras. The surveys were taken every 30m down hole. No strongly magnetic rock units are present within the deposit which may upset magnetic based readings.
	Specification of the grid system used.	All horizontal coordinates are based on WGS84 datum and using a UTM zone 29 N projection. The vertical datum is based on EGM2008.
	Quality and adequacy of topographic control.	90m SRTM and non differential GPS elevations have been used. This is considered appropriate for regional exploration.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The results reported are from drill lines varying from 300 to 1,000m apart and are broad in nature.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Data spacing at the exploration stage is too broad to provide sufficient spatial detail to establish geological and grade continuity to allow Inferred, Indicated and Measured Mineral Resources to be estimated.
	Whether sample compositing has been applied.	Significant intervals are reported on a composited basis. Intervals are selected and composited where sample start and end with a sample> 1g/t and samples between the beginning and end have a grade of >0.5 g/t, with allowance for one sample of <0.5 g/t per 10m, and the interval averages >1 g/t.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The general strike of geology is in a NS to NNE orientation. Regional dips are to the west. The orientation of mineralised systems are not currently known due to the broad spaced data.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The orientation of the mineralised structures is currently unknown. Bias may or may not occur.
Sample security	*The measures taken to ensure sample security.*	Chain of custody is managed by Papillon. Samples are transported from the drill site by Company vehicle to a sample preparation yard where samples are prepared for dispatch. Samples are collected directly from site by the laboratory. Sample submission forms are sent in paper form with the samples as well as electronically to the laboratory. Reconciliation of samples occurs prior to commencement of sample preparation of dispatches.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	All QA/QC data is reviewed in an ongoing basis and reported in monthly summaries. These regular reviews have concluded that the sampling and analytical results have no biases and appropriate accuracy and precision.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Menankoto Sud project was granted by arrête 2014-0257 on the 4/2/2014 to Societie S2IEM. Papillon has an agreement with S2IEM that provides the Company with a 95% interest in the licence. The Fekola Project lies on the Medinandi Mining Permit as granted by Arrete 2014-0070/PM-RM on the 13/2/2014 to Songhoi Resources. Songhoi Resources SA is a joint venture company in which Papillon has a 90% interest. No historical sites, wilderness or national parks are located within the Permits.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Tenure in the form of a Permit de Recherche (Exploration Permit) has been granted and is considered secure. There are no known impediments to the operating in this area.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Work within the broader area was undertaken by Sonafrem (1960's), BRGM (1970s), Guefest (1990s), WAG (1990's), Randgold (1990s), Central African Gold (2000s). Work completed by these groups included mapping, geochemical surveys, rock chipping, landsat and aeromagnetic surveys and interpretations, trenching, auger and aircore drilling.
Geology	*Deposit type, geological setting and style of mineralisation.*	Menankoto-Sud is located within the Kedougou-Kenieba-Inlier, an erosional window through the sedimentary Taoudeni Basin to the Lower Proterozoic volcano-sedimentary and igneous basement rocks which form the over-arching Birimian Greenstone Belts associated with the West African Craton.

Criteria	JORC Code explanation	Commentary
		The permit lies within the Dalema-Kofi formation, which is of Lower Proterozoic age. The host sequence comprises finely laminated quartzite, fine grained sedimentary rocks and mafic intrusive rocks.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.*	Results are provided in Table 1 in the body of this release.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Results are reported over intervals where samples start and end with a sample> 1g/t and samples between the beginning and end have a grade of >0.5 g/t, with allowance for one sample of <0.5 g/t, and the interval averages >1 g/t. No high grade cut has been applied. All results are for gold assay only and no metal equivalent values are calculated.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	All drilling is planned in such a way as to intersect expected mineralisation in a perpendicular manner. Drill holes are oriented as close as practical to be orthogonal to the general strike and dip of the gold mineralisation trends. Given the early exploration nature of the work reported confidence in orientation of structures is low.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Given the early exploration nature of the work reported confidence in orientation of structures is low.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	True dips and orientations of mineralisation are not known and down hole lengths may not reflect true widths.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Appropriate diagrams are included on the body of this release.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All results are reported in Table 1.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	The exploration drilling has been located ~13km to the north of the Company's 5.15Moz gold Fekola Deposit (refer ASX Announcement dated 3 September 2013 "Papillon grows Fekola Resource"). The Company has reported the results of a Pre-Feasibility Study ('PFS') for the Fekola Project (refer ASX Announcement dated 26 June 2013). The PFS included hydrogeological, geotechnical, environmental impact assessments, mining, metallurgical and process engineering studies.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Further RC drilling will be undertaken within the permit area.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	These are shown in the main body of the document.