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ADDITIONAL METALLURGICAL TEST WORK AT FEKOLA IDENTIFIES FURTHER IMPROVEMENTS

- ▶ Estimated average plant recovery of 92.5%, assuming life of mine head grade of 2.6 g/t gold.
- ▶ Estimated recoveries in the range of 91% to 93%, an improvement from the Pre-Feasibility Study.
- ▶ Cyanide consumption reduced by between 43% and 66% from Pre-Feasibility Study estimates.
- ▶ Confirmation of Pre-Feasibility Study process circuit design as optimum for Fekola.

Papillon Resources Limited ('Papillon' or 'the Company') is pleased to announce that the final metallurgical test work program has been completed as part of the Definitive Feasibility Study ('DFS') for the Fekola Gold Project ('Fekola' or 'Project'), located in south western Mali.

The extensive metallurgical test work program supports the previous decision to implement a conventional primary crush, semi-autogenous grinding and ball mill ('SABC') circuit and a gravity concentration and a carbon-in-leach ('CIL') on gravity tails processing flowsheet for Fekola.

Importantly, the test work has indicated a number of improvements from the Pre-Feasibility Study ('PFS') programs. Key findings from the study include:

- Direct cyanide gold extraction ranging from 88% to 96%, at a P80 75 µm grind and at various head grades;
- Cyanide consumption ranging from 0.24 kg per tonne to 0.41 kg per tonne of ore, which is significantly less than the average PFS value of 0.72 kg per tonne representing an approximate reduction of between 43% and 66% relative to the PFS estimates; and
- Comminution test work indicates that the ore continues to be classified as hard and moderately abrasive, with minimal variability throughout the ore body.

Papillon's Managing Director and CEO, Mark Connelly, said: *"The recent metallurgical test work results reconfirm the technical viability of the Fekola Project and its simple metallurgical characteristics. Importantly, the test work has shown a number of improvements compared with the PFS metallurgical profile including small increases in expected recovery, especially at lower head grades, and also significant reductions in cyanide consumption. These improvements are expected to be highly beneficial to the project's economics."*

Comprehensive Metallurgical Test Work Program

Papillon commenced its third and most comprehensive phase of metallurgical testing in July 2013. This work program was designed to address the final facets of the metallurgical characteristics and performance of the Fekola Project including variability within the ore body, reagent consumptions and grind size optimisation. The program was also designed to reconfirm prior test work conducted at Fekola and complement other technical work completed as part of the Definitive Feasibility Study ('DFS').

The program, which was conducted by ALS Metallurgy ('ALS') in Perth, comprised eighteen variability composites and a single master composite specifically chosen by Papillon to give representative samples of key sections of the Fekola Deposit.

ALS also completed Acid Mine Drainage ('AMD') prediction analysis, including Theoretical Acid Production Potential ('TAPP') and Net Acid Generation ('NAG'). Importantly, the detailed AMD work confirmed that Fekola is not acid forming.

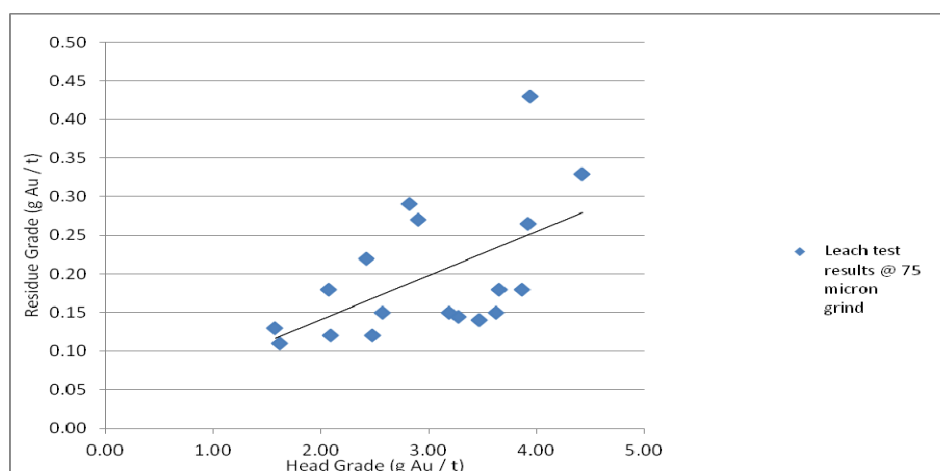
Papillon believes that, with this final testing program, the metallurgical analytical work completed to date is sufficient to support the technical due diligence requirements of key financing institutions as well as the Company's internal technical requirements for the development of the outstanding Fekola Project. The Company is unlikely to complete any further detailed metallurgical work for the Project.

Leach Recovery Test Work Results

Leach recovery test work was completed at a P80 75 µm grind size for the master composite and variability samples and showed extraction rates ranging from 88% to 96%. The results, when plotted in the head grade vs. residue grade scatterplot, show a strong linear relationship, which increases confidence in the Company's estimates for the recovery profile at Fekola.

Based on the test work developed recovery relationship, and a fixed solution loss, the estimated plant recovery for Fekola over the expected head grade range for the life of mine (1.4 g/t – 5.0 g/t) is 91% to 93%. This represents an improvement in the recoveries relative to the PFS, which indicated recoveries in the range of 89% to 93% over the life of mine.

At the current projected life of mine head grade of 2.6 g/t gold, the predicted plant recovery is 92.5% inclusive of solution losses, which also represents a slight improvement compared to the PFS results.



Graph 1 : Residue Grade vs Head Grade Test Results at 75 µm grind

Grind Optimisation

Extensive metallurgical test work completed during the DFS test work program provided a range of recoveries and operating consumable consumption rates at varying grind sizes to enable a grind optimisation evaluation to be completed for the Fekola Gold Operation.

Parameter	Grind Size P ₈₀ µm			
	150	125	106	75
SAG Mill				
Average Gross Power Consumption kWh/t	14.7	14.7	14.7	14.7
Ball Mill				
Average Gross Power Consumption kWh/t	11.2	12.9	14.5	18.3

Table 1: Milling Power at Range of Grind Sizes

Sample ID	Grind Size (µm)	Residue Grade (g/t)	Calc Head (g/t)	12 h (%)	Gold Extraction 24 h (%)
Master Composite	75	0.14	3.47	93.19	95.97
	106	0.21	3.51	91.71	94.01
	125	0.23	3.42	90.88	93.27
	150	0.26	3.32	89.50	92.17

Table 2: Master Composite – Leach Testwork Results at Range of Grind Sizes

The mill power and leach extractions detailed above provide the basis for the grind optimisation evaluation.

Salient outcomes of the evaluation are:

- Based on the 24 hour leach test work results and the milling power modelling, the P80 75 µm grind has the highest net revenue with coarser grind sizes resulting in reduction in net revenue, with P80 150 µm having the lowest net revenue.
- Sensitivity analysis was conducted over a range of gold prices and energy costs, with the P80 75 µm having the most favourable cost benefit for all sensitivity cases.

On this basis, the Company has confirmed it will continue with the PFS design specifications of the crushing and grinding circuit, which will ensure CIL feed of P80 passing 75 µm.

Corporate

The proceedings in relation to the claim made against the Company by Etablissements Zoumana Traoré SARL (**ZTS**) in the Commercial Court of Bamako are continuing. At a recent hearing it appears that the Judge of the Commercial Court of Bamako has dismissed Papillon's arguments on jurisdiction and accepted ZTS's claims on the merits. The Company awaits the handing down of the written judgement. The hearing was supposed to be limited to the question of jurisdiction and Papillon was not given an opportunity to submit arguments on the merits of the case. Notwithstanding, it seems that the Judge

decided that ZTS holds 17% of Songhoi Resources SARL's share capital, 10% of which is already indirectly held by ZTS through the Company's joint venture partner, Mani SARL. The Company considers the decision to be totally unlawful and will immediately appeal the decision to the Court of Appeal in Bamako (which comprises of a panel of three Judges).

The Company still considers ZTS's claim to be without merit and is strongly defending its position. The Company remains confident that the rule of law will prevail, even if the Company has to appeal all the way to the Supreme Court in Bamako or the *Cour Commune de Justice et d'Arbitrage (CCJA)* in Abidjan. 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 first announced to the market on 7 April 2014 and disclosed to B2Gold prior to signing the Merger Agreement. The proceedings are unlikely to be finally resolved prior to the Scheme becoming effective.

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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.

Competent Persons Statement

The information in this report that relates to the Process Metallurgy Results is based on information compiled by Mr Christopher Waller, a Competent Person who is a Member of The Australian Institute of Mining and Metallurgy ('AusIMM'). Mr Waller is employed by Lycopodium Minerals Pty Ltd. Mr Waller has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken 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' ('JORC Code'). Mr Waller consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.