

ASX RELEASE | 15 July 2014 | ASX:PIR

UPDATE ON MERGER WITH B2GOLD

Papillon Resources Limited ('Papillon' or 'the Company') is pleased to provide the following update on the status of its proposed merger with B2Gold Corp. ('B2Gold') by way of a scheme of arrangement ('Scheme'). If the Scheme is implemented, Papillon shareholders will receive 0.661 B2Gold shares for every Papillon share held.

Scheme Booklet filed with ASIC

A draft Scheme Booklet, including an Independent Expert's Report, was lodged with the Australian Securities and Investments Commission ('ASIC') today. An originating process and supporting affidavits have also been filed with the Federal Court of Australia ('Court').

Subject to the Court's approval, it is intended that the Scheme Booklet will be dispatched to Papillon shareholders in mid-August 2014 with the meeting of Papillon shareholders to consider the Scheme to follow in mid-September 2014.

Amended Merger Implementation Agreement

Papillon and B2Gold have agreed to amend the terms of their Merger Implementation Agreement ('Merger Agreement') to provide for a shareholder sale facility for Small Scheme Participants.

A Small Scheme Participant is a Scheme Participant with an Australian or New Zealand address in the Register who holds 200,000 Papillon shares or less on the record date. Each Small Scheme Participant may elect to have their entitlement to new B2Gold shares issued to and sold by a nominated sale agent immediately after the Scheme is implemented and to receive the proceeds of the sale in A\$.

The amended Merger Agreement will be released to ASX separately.

March 2014 Interim Financial Statements

Papillon has prepared interim financial statements for the three and nine months ended 31 March 2014 for inclusion in key documents associated with the Scheme, including the Scheme Booklet.

The Company's financial statements for the three and nine months ended 31 March 2014 will be released to ASX separately.

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