

papillon

RESOURCES



***Taking Flight 2* | ASX:PIR**

February 2011

Disclaimer Notice & Competent Persons Statement



Disclaimer Notice

The material in this presentation (“material”) is not and does not constitute an offer, invitation or recommendation to subscribe for, or purchase any security in Papillon Resources Ltd (“PIR”) nor does it form the basis of any contract or commitment. PIR makes no representation or warranty, express or implied, as to the accuracy, reliability or completeness of this material.

PIR, its directors, employees, agents and consultants shall have no liability, including liability to any person by reason of negligence or negligent misstatement, for any statements, opinions, information or matters, express or implied, arising out of, contained in or derived from, or for any omissions from this material except liability under statute that cannot be excluded.

Statements contained in this material, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of PIR, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties.

Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.

Competent Persons Statement

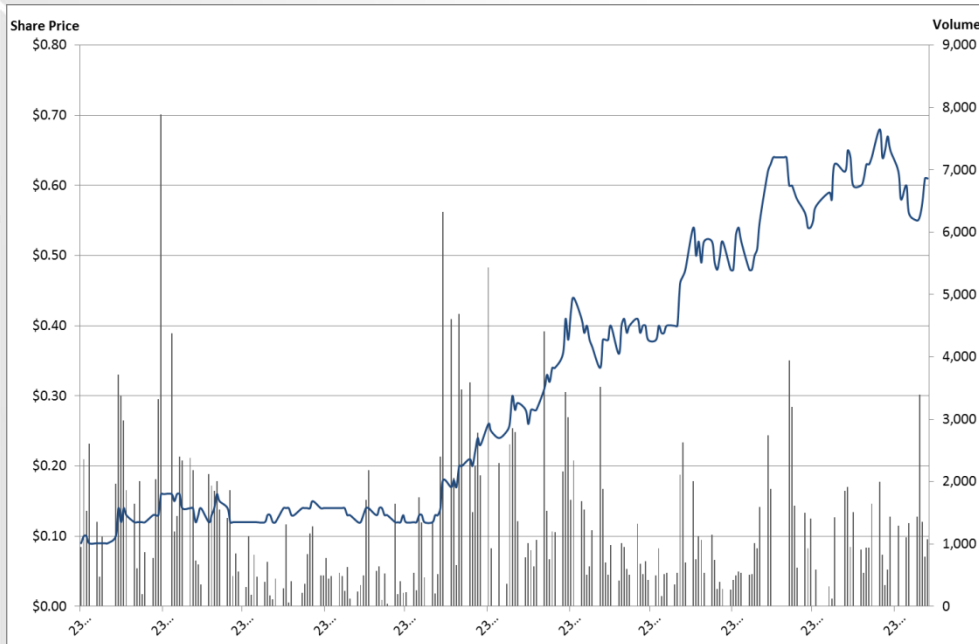
Information in this report relates to exploration results or mineral resources are based on information compiled by Mr Stuart Hall who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hall has sufficient experience which is relevant to the style of mineralisation and type of deposit 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 Hall consents to the inclusion in the report of the statements based on his information in the form and context in which it appears.

“Please note with regard to exploration targets, the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.”

Valuations

The comparison of Enterprise Value per Mineral Resource ounce is based on the underlying assumption that the factors affecting the economics of each project in arriving at the average Enterprise Value per Mineral Resource ounce (including depth, metallurgy, recovery rates, mining costs, etc) are equal and that the Enterprise Value of each of the peers is not affected by other factors such as assets other than gold.

Corporate Overview: Structure



Capital Structure (after current capital raising)

- Issued shares PIR 187.2M
- Options PIROA @ \$0.20 31/12/12 66.9M
- Unlisted Options 9.7M
- Fully Diluted 263.8M
- 12 month average daily volume 1,365,000
- EV (04/02/2011 @ A\$0.61) \$99.7M
- Cash (as at 31 Jan 2011) \$14.5M
- Debt nil

Significant Shareholders

- Goodman Group 9.00%
- UBS AG 5.09%
- Panga Pty Ltd 5.01%
- Top 20 ORD Shareholders 45.12%
- Directors & Management (fully diluted) 10%

Board & Management

- Jeremy Shervington *B.Juris, LLB* Non Exec Chairman
- Alan Campbell *B.Sc, MBA* Managing Director
- Alex Pismiris *B.Com, ICSA* Non-Exec Director
- Stuart Hall *B.Sc Hons, FAusIMM, FGS* Non-Exec Director
- Richard Dahl *Ph.D, M.Sc, Geo (MOGQ)* Exploration Manager



Corporate Overview: Assets



Assets:

- 1,800km² in Birimian gold belt, Mali, West Africa
- 650,000oz Au grading 3.17g/t of indicated & inferred mineral resource (80% attributable to PIR)
- 25km strike length within 40M oz gold

Activities:

- Mali West -Medinandi:

Infill Drilling of FMZ

9m @ 16.70g/t from 14m, 12m @ 8.06g/t from 33m

New Discoveries:

FNE 18m @ 7.62g/t from 79m, 10m @ 5.02g/t from 101m

FSE 12m @ 8.59g/t, including 2m @ 36.48g/t from 19m

Fekola 33m @ 3.79g/t, including 20m @ 5.02g/t from 15m

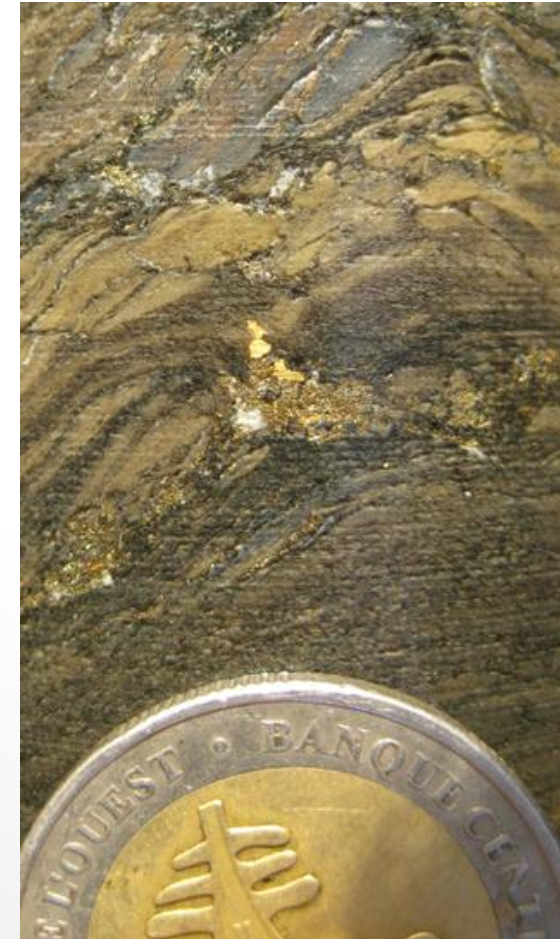
Met Testwork: Free milling ore; up to 92.3% Au CIL and 83.8% Gravity

Drilling – +41,000m in 6 months & increasing

- Mali South

Extensive auger geochemical program in progress

New gold targets emerging



2011 Objectives



To create shareholder value by:

- Building the Medinandi resource base
 - Extending new discoveries & existing resource
- Seed Future Growth
 - Establish new drill targets Mali West and Mali South



Health, Safety, Environment & Sustainability

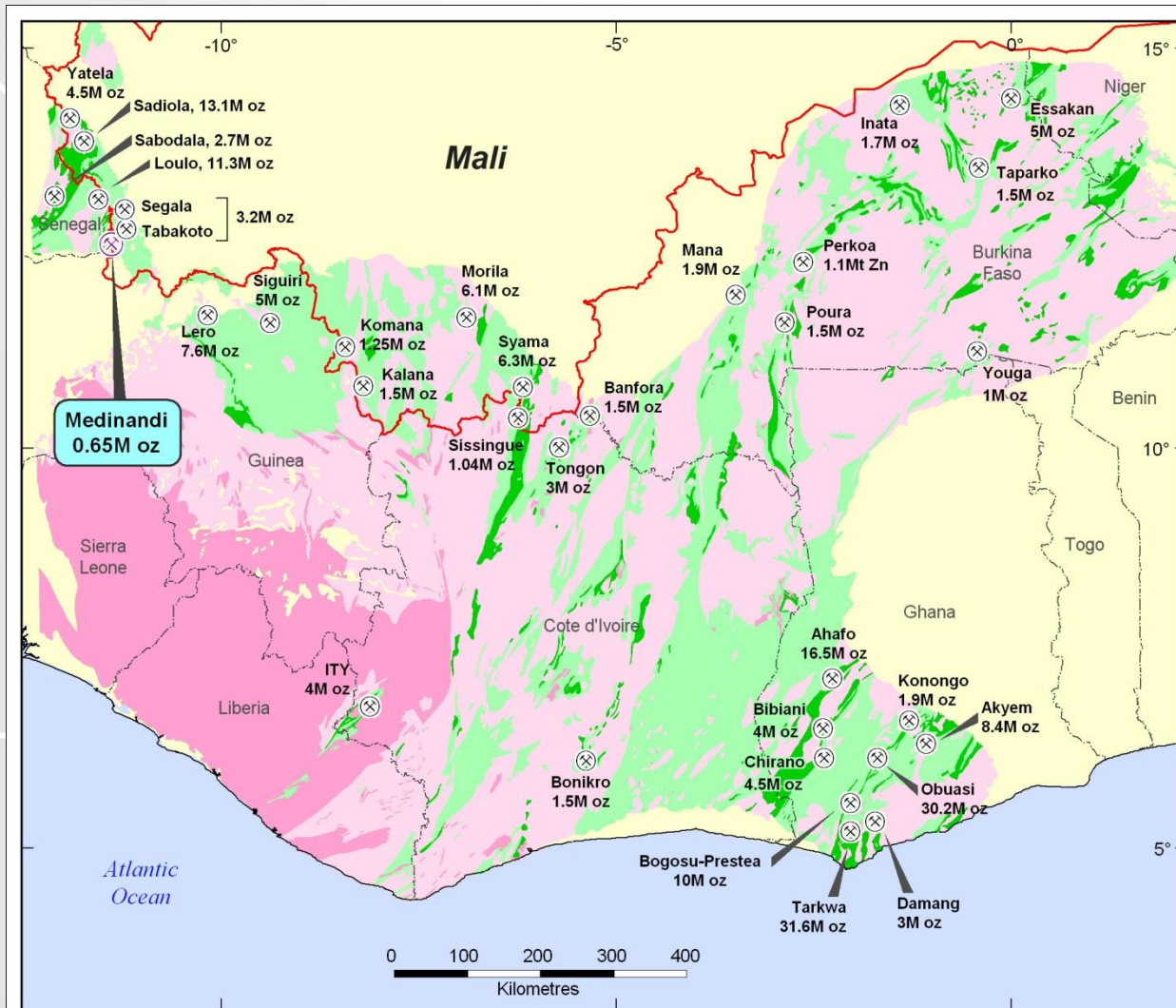


Commitment to zero harm

- Safety: Zero Lost time frequency injury rate
- Environment: Zero incidents, continued environmental management
- Community: Active social & sustainable economic programme, vaccination campaign's, entry level education programme



Regional Geology & Medinandi Project Location



- Mali - 3rd largest gold producer in Africa with 5 major operating mines.
- Birimian Gold Belt: elephant country for Au deposits.



Mali Fast Facts

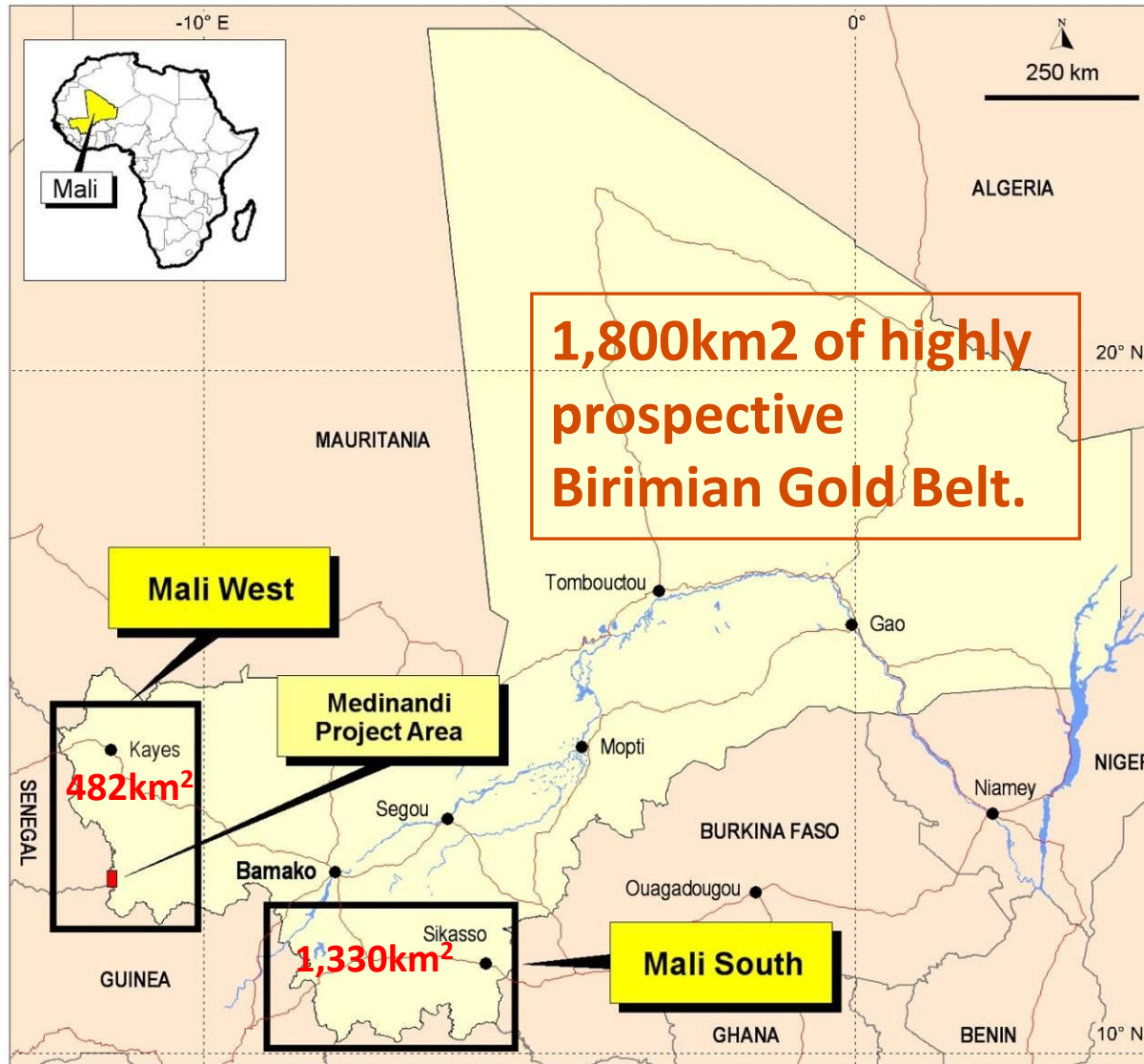
Area: 1,240,140 Sq Km

Capital: Bamako

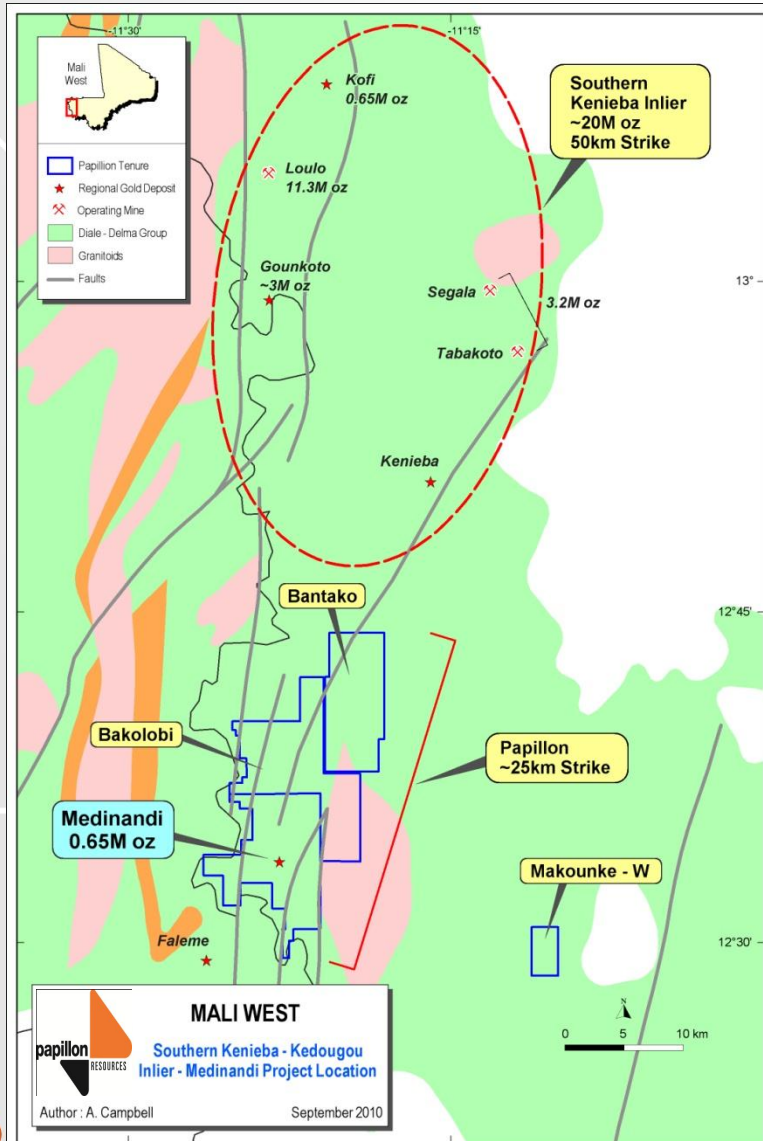
Money: 1€ = 656CFA

Population: 14.7 Million

Target Rich Exploration Package



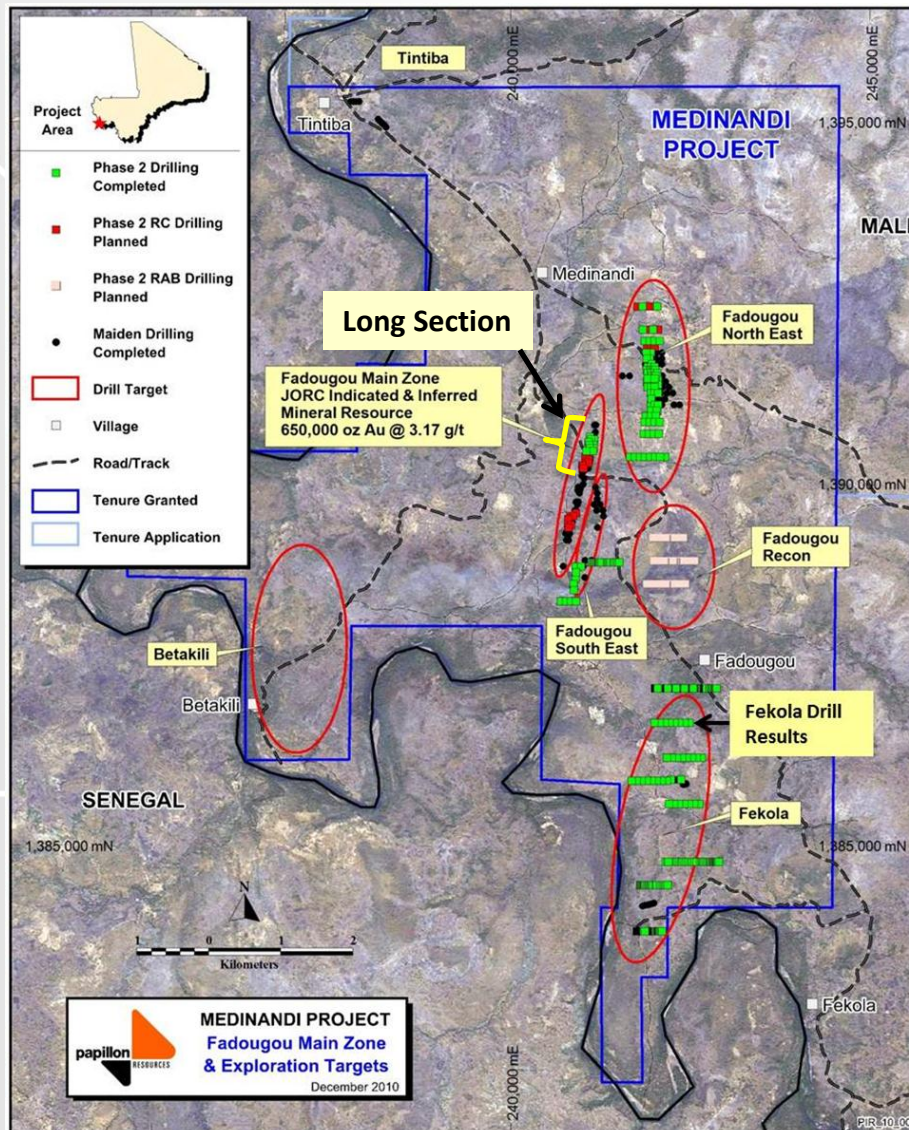
Mali West - 20Moz Gold Province



- 20Moz Au discovered over a 50km strike length
- Same structural corridor as Medinandi
- Papillon controls 25km strike length of this corridor



Medinandi Project: Fadougou Main Zone & Exploration Targets



- **Fadougou Main Zone:**

9m @ 16.70g/t from 14m
12m @ 8.06g/t from 33m
7m @ 7.29g/t from 55m
7m @ 5.85g/t from 30m

- **New Discovery – FNE:**

18m @ 7.62g/t from 79m
10m @ 5.02g/t from 101m

- **New Discovery – FSE:**

12m @ 8.59g/t from 19m
7m @ 4.83g/t from 2m

- **New Discovery – Fekola**

33m @ 3.79g/t Au, including 20m @ 5.01g/t Au
15m @ 3.30g/t Au
21m @ 2.31g/t Au

- **Exploration Prospects:**

- a) **Tintiba** – structure & geochem target
- c) **Betakili** – Geochem and structural target
- d) **Recon** – targets defined by geochem and geophysics

Medinandi Resource Base

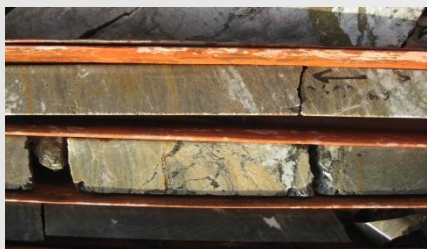


Mineral resource statement for Fadougou Main Zone				
January 2010	Tonnes	g/t Au	Total oz Au	PIR's attributable oz Au (80%)
Measured	-	-	-	-
Indicated	2,772,097	3.14	280,776	224,621
Inferred	3,626,456	3.19	372,207	297,766
Total	6,398,553	3.17	652,983	522,386

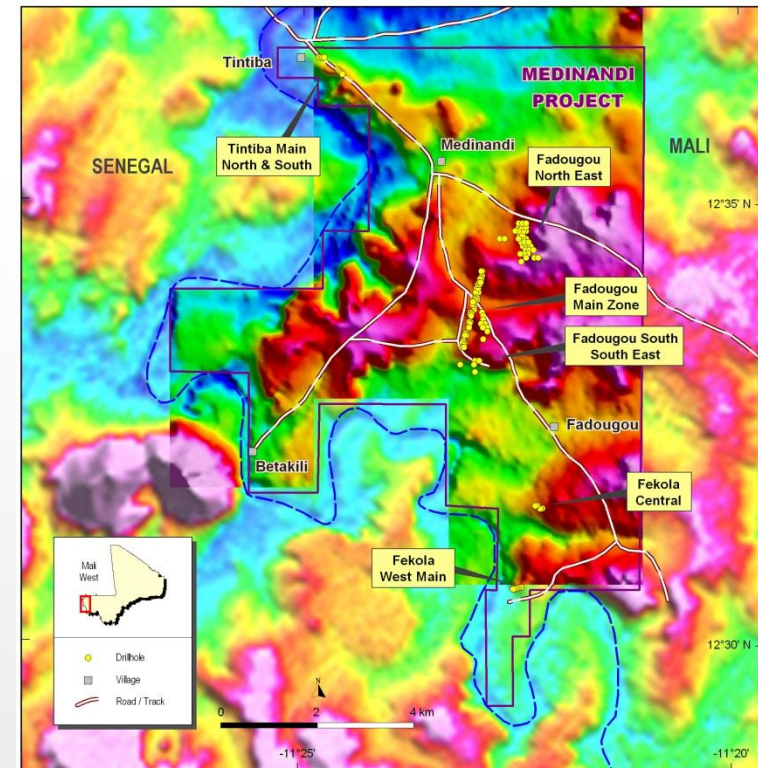
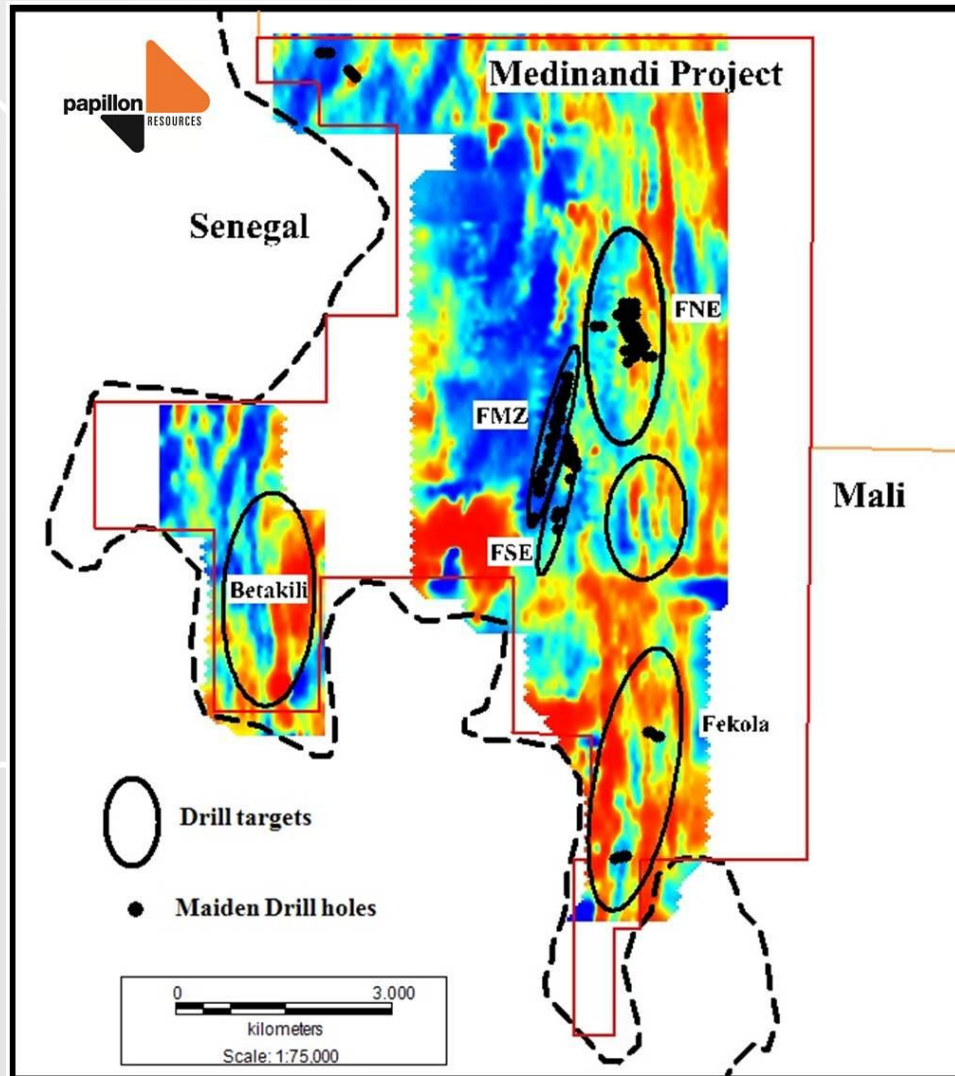
*Reported in accordance with SAMREC and JORC Code for mineral resource statements
 - calculated at a bottom cut-off grade of 1.0g/t and top cut-off of 80g/t*

Oxide to fresh ratio approx 20% (as per drill logs)

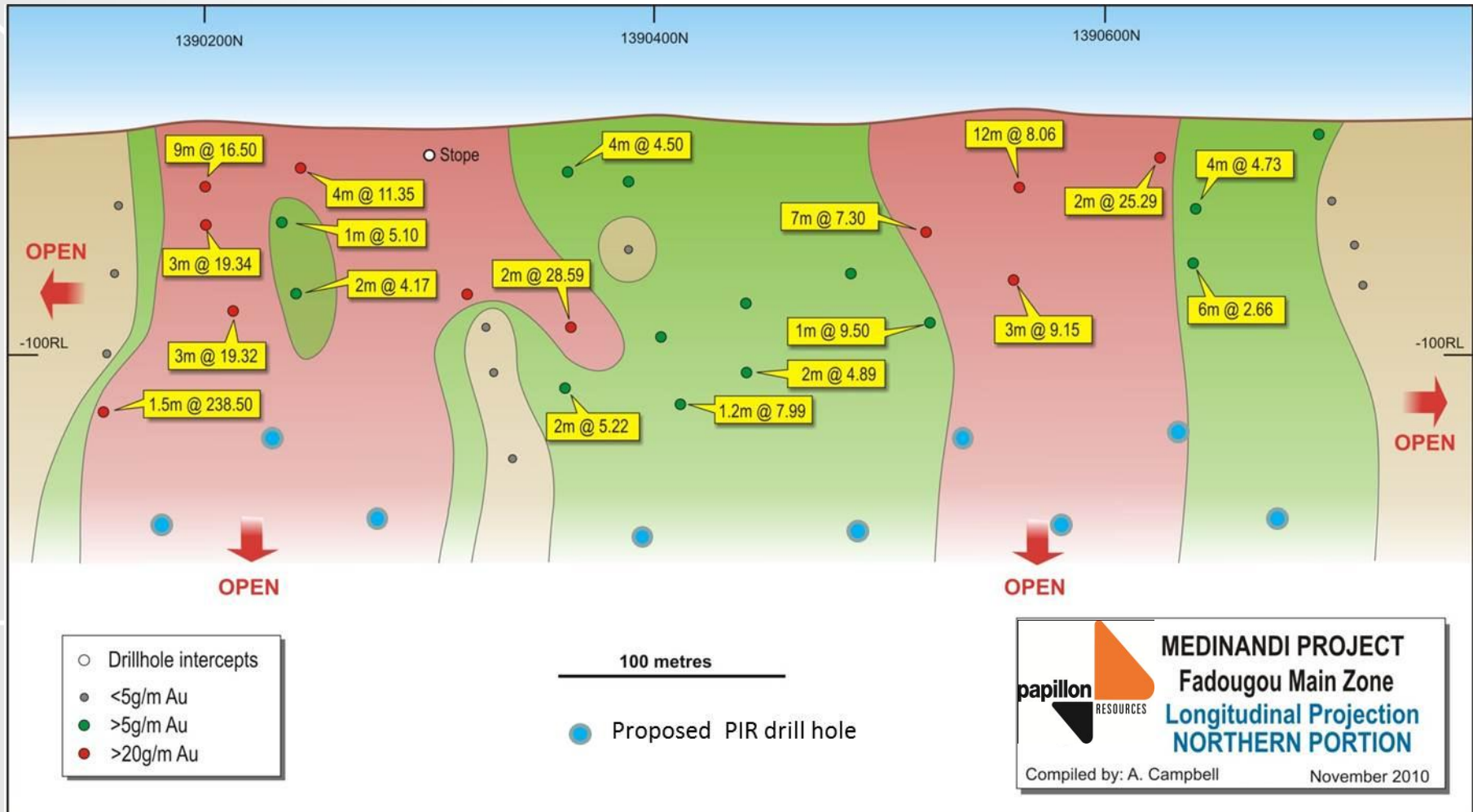
Drilling results to date have identified **exploration targets** totaling between a range of 4.3 million tonnes and 4.6 million tonnes at an average grade of **3.6g/t Au for 520,000 oz (300,000oz FMZ & 220,000oz FNE/FSE)** and this has been independently reviewed by Venmyn Rand (Pty) Ltd.



Medinandi Project: IP Chargeability & DEM

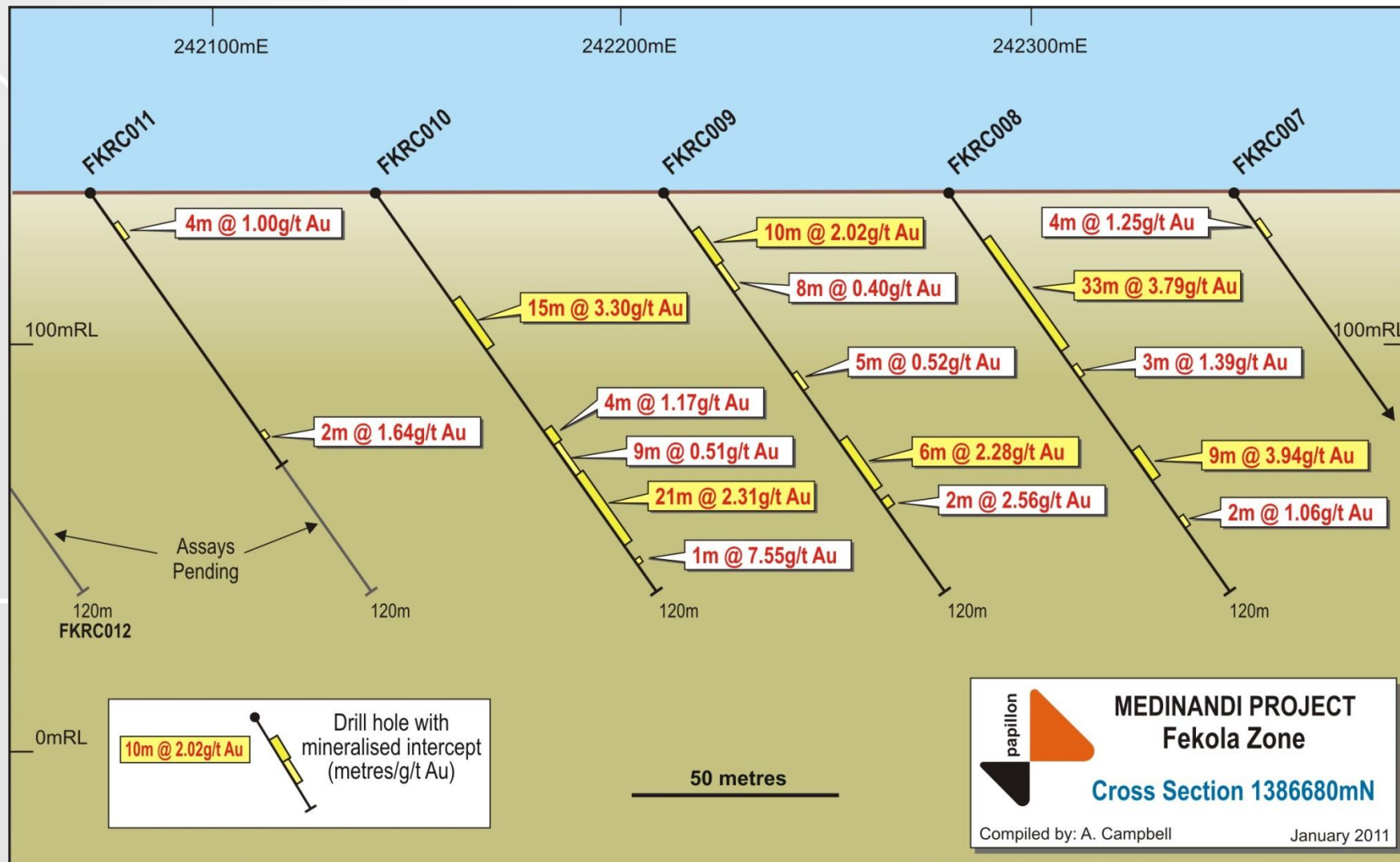


Medinandi Project: Fadougou Main Zone – Long Section

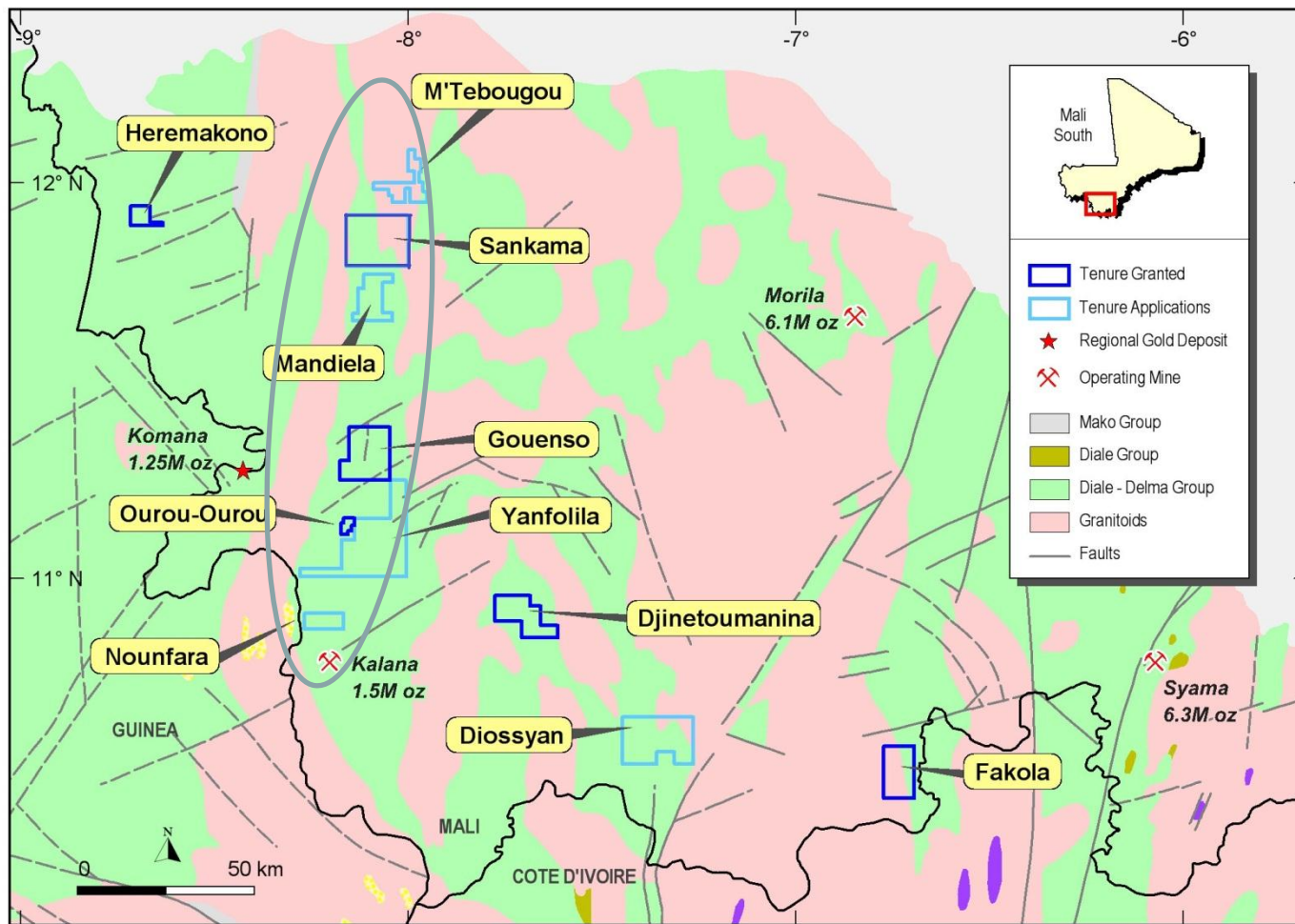


500m section of the 2km strike length FMZ, with drilling along strike and at depth planned to target resource extension

Medinandi Project: Fekola Cross Section 1386680nM

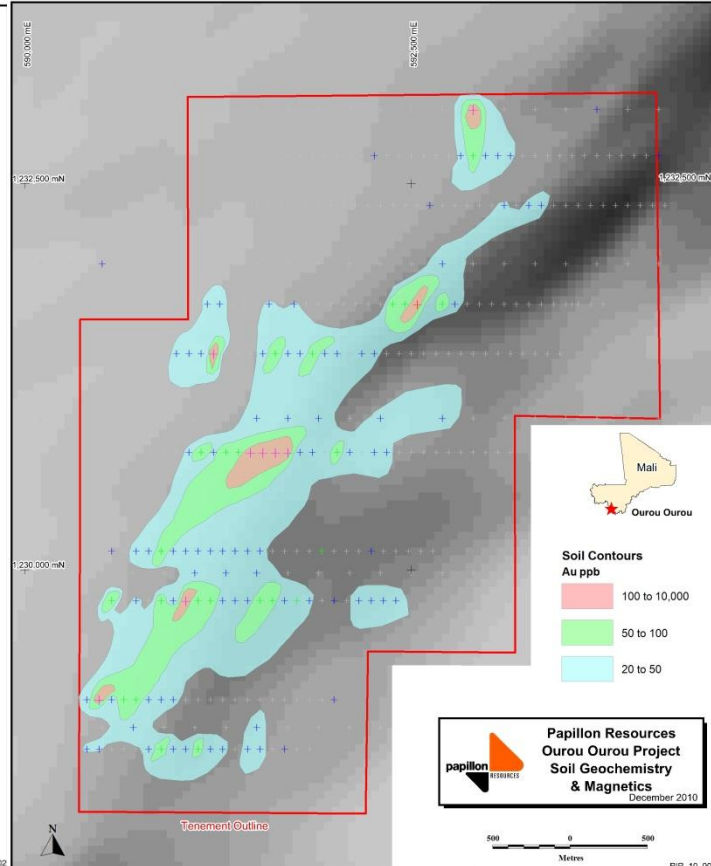
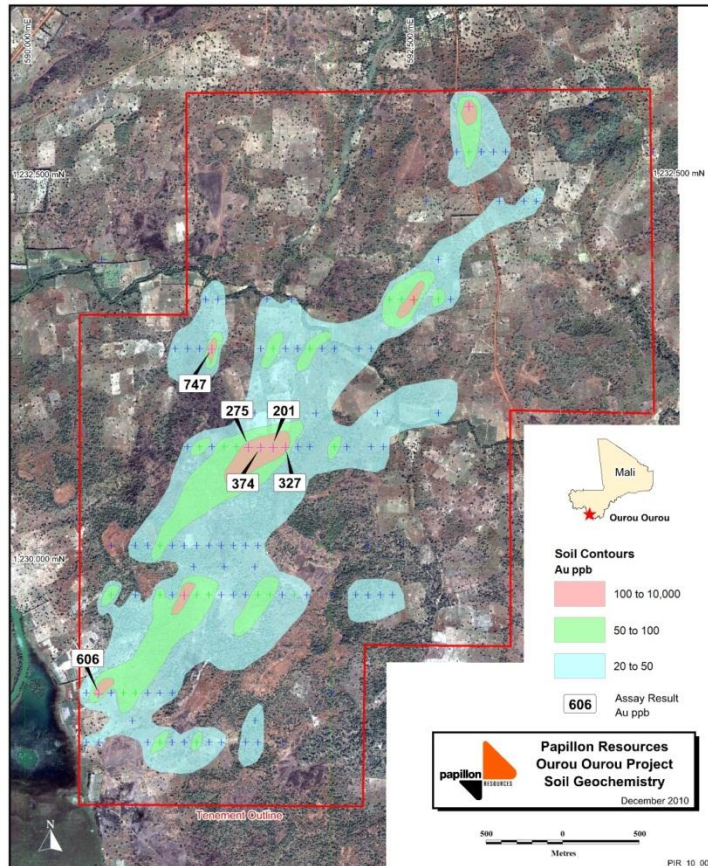


Mali South: New Horizons



- Extensive 1,330km² land holding.
- 8,000 soil geochem samples analyzed, with numerous anomalous results
- 6 PDR's now granted
- Multi auger drilling program commenced in Q1 2011

Mali South: Ourou-Ourou



- Several areas >100ppb Au anomalism
- Strongly anomalous zone
- Auger drilling commenced



FIRST OF MANY NEW PROSPECTS

Current Work Program



Q1 2011:

- **Mali West – Medinandi:**
 - Fekola – first phase follow up drilling
 - Extension and infill drilling at FMZ
 - Reconnaissance drilling to test new geophysical and geochemical anomalies
 - Resource upgrade
- **Mali South** – Multi rig auger drill program

Q2 2011:

- **Mali West – Medinandi:**
 - Results driven drilling program
- **Mali South** – Auger drilling continuing

Q3 2011:

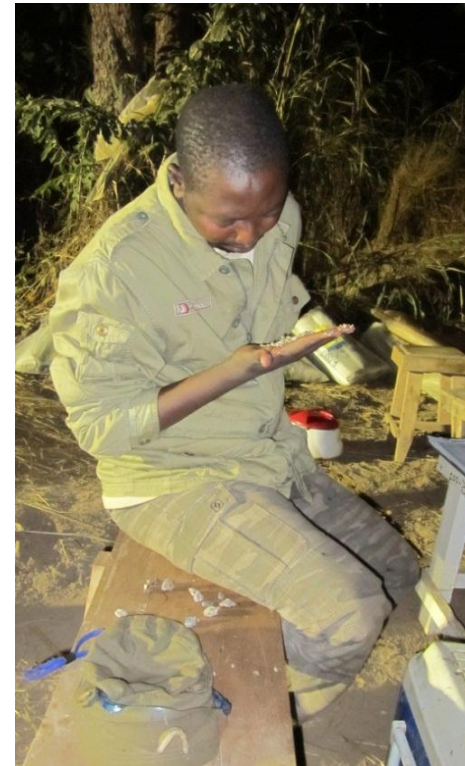
- **Data interpretation**

Q4 2011:

- **Medinandi Phase 3 drilling program**
- **Mali South/Mali West Phase 1 drilling program**

Q1 to Q2 2012:

- **Resource upgrade**



Taking Flight - Targeting 800,000oz to 1,200,000oz Au



Short Term:

Targeting 0.8 to
1.2Moz Au , Q1
2011

Medium Term:

Targeting
1.8Moz to
2.2Moz Au,
2012

Long Term:

Production
>100,000oz per
year

Investment Proposition



- Two high quality West African gold projects located in prolific gold bearing belts
- High grade drilling results and new discoveries
- Aggressive drilling and news flow
- Resource base of 650,000oz Au; targeting growth >1 million ozs in Q1 2011 and >2 million ozs in 2012
- Good value compared to peers with significant grade advantage

