



Corporate Information

Fast Facts

ASX Code	PIR
Ordinary shares	189M ORD
Quoted options	65.2M
Unlisted Options	9.0M

Investment Highlights

- 650,000oz gold indicated and inferred mineral resource grading 3.17g/t at Medinandi Project, Mali West.
- PIR's attributable oz Au = 522,000oz.
- 1,800km² licences over prospective Birimian greenstone belt.
- 25km strike length within 40M oz gold province on the Kéniéba-Kedougou Inlier.
- Aggressive drilling programme at Medinandi testing mineralization along strike and at depth.
- Multi-pronged exploration programme focused on increasing resource inventory. Excellent green-fields exploration potential.



Board and management

Jeremy Shervington
Chairman

Alan Campbell
Managing Director

Alec Pismiris
Non Executive Director

Stuart Hall
Non Executive Director

Dennis Wilkins
Company Secretary

Contact Us

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ASX Release

7 March 2011

Fekola Gold Discovery Update, Medinandi Project

- ✦ *Fekola discovery continues to grow*
- ✦ *Corridor of mineralised zones emerging extending over more than 8km strike and encompassing Fekola and the FNE discoveries*
- ✦ *Wide strongly-anomalous intercepts returned from further wide spaced RC drill-traverses over 800m strike:*
 - *15m @ 2.04 g/t Au*
 - *4m @ 1.53g/t Au*
 - *6m @ 1.43g/t Au*
 - *2m @ 16.66g/t Au*
 - *3m @ 7.13g/t Au*
- ✦ *Highly encouraging results from short hole RAB traverses over 5km strike length:*
 - *4m @ 5.19g/t Au (EOH)*
 - *9m @ 2.24g/t Au (EOH)*
 - *5m @ 3.36g/t Au*
- ✦ *Mineralised zones open at depth and along strike*
- ✦ *FSE discovery strike length extended to over 1,500m along strike*
- ✦ *Aggressive drilling to continue*



PHASE 2 DRILLING PROGRAMME – FEKOLA GOLD DISCOVERY UPDATE

Papillon Resources Limited (ASX: PIR) (“Papillon” or “the Company”) is pleased to report that the **Fekola** discovery, Medinandi Project (Figure 1: Mali West - Southern Kéniéba-Kedougou Inlier – Medinandi Project Location and regional gold deposits; Figure 2: Medinandi Project – Fadougou Main Zone & Exploration Targets with Drill Status; Figure 3: Medinandi Project – IP Chargeability with Exploration Targets) has continued to grow as results of the current drill program are received.

Fences of RC and short-hole RAB drilling (average depth 23m) have been completed along a north-south trending structural corridor reflected in IP data, and characterised by widespread alteration and gold anomalism. It is now evident that the structural corridor, (named the “Fekola Corridor”) may extend the length of the Medinandi licence and encompass both the Fadougou North East (“FNE”) Zone and the emerging Fekola area (Figure 3 and Figure 4: Medinandi Project – Fekola Mineralised Corridor). Whilst drilling remains at an early stage, the results to date point to significant exploration potential along this >8km long trend.

FEKOLA DISCOVERY

In the Fekola area two short RC reconnaissance traverses were drilled during late 2010 to test a significant soil anomaly. The northernmost of these was situated on what is now interpreted as the Fekola Corridor and returned wide zones of bedrock gold anomalism. The strike extent of this location has now been tested by five further wide spaced RC traverses over 1.5km and reconnaissance holes to the west of the initial traverse (Figure 2 and Figure 3). The first seven RC holes from the northernmost drill section returned wide high-grade intercepts to **33m @ 3.79g/t Au** over a 150m wide zone of bedrock anomalism, and were announced in ASX Announcement dated 1st February 2011 (“New Gold Discovery at Fekola and continued strong intercepts at FNE & FSE, Medinandi Project”).

The Fekola Corridor’s regional address is compelling, located on the Senegalo - Malian Shear Zone where in excess of 42M oz of gold has been discovered. Papillon has tenements extending over 25km strike length of this shear zone. Immediately north of Papillon’s tenements, over 22Moz of gold have been discovered over a 50km strike length of the same structural corridor (Figure 1).

DRILLING RESULTS FEKOLA

To date, the Phase 2 drill programme has completed in excess of 18,500m of RC and 11,200m of RAB drilling, with the total drilling at Medinandi since the Company acquired the asset of approximately 42,800m (Figure 2).

The results from 28 RC holes on three traverses are reported here and include **15m @ 2.04g/t Au** in FKCR_016, **4m @ 1.53g/t Au** in FKCR_017, and **6m @ 1.48g/t Au** and **2m @ 16.66g/t Au** in FKCR_018. Mineralised intercepts are



enveloped in broad zones of $>0.20\text{g/t Au}$ anomalism, a feature of the Fekola area. The structure remains open to the north, south and at depth. Note that intercepts have been reported at 1.0g/t cut-off, consistent with previous announcements. However Papillon believes that a broad mineralized envelope exists at lower cut-offs (e.g. 0.5g/t) suggesting substantial tonnage potential within this corridor. As an example, if a lower grade cut-off was applied the intercept $15\text{m @ } 2.04\text{ g/t Au}$ in FKCR_016 (at 1.0g/t bottom cut) would increase to $22\text{m @ } 1.74\text{ g/t Au}$ in FKCR_016 (at 0.5g/t bottom cut).

DRILL RESULTS FEKOLA CORRIDOR

Three RAB reconnaissance traverses were completed 800m , $1,120\text{m}$ and $1,760\text{m}$ respectively south of the RC traverses. Encouraging results were returned in consecutive holes from composite samples including **$5\text{m @ } 1.24\text{g/t Au}$** and **$3\text{m @ } 1.36\text{g/t Au to EOH}$** (FKCA_013), **$30\text{m @ } 0.46\text{g/t Au to EOH}$** (FKCA_014), **$5\text{m @ } 3.36\text{g/t Au}$** in FKCA_015 and **$10\text{m @ } 1.48\text{g/t Au}$** in FKWA_078. Elsewhere on these traverses additional greater than 1g/t Au composite results were obtained, suggesting potential for parallel mineralised structures. Further RC follow-up drilling is planned.

Three lines of short-hole reconnaissance RAB drilling were also completed in an area located between Fekola and **FNE**. This drilling on lines 320m apart has also returned strong bedrock anomalism, particularly on the southern traverse where consecutive holes returned composite sample results of **$4\text{m @ } 5.19\text{g/t to EOH}$** (FSEA_031), **$9\text{m @ } 2.24\text{g/t Au to EOH}$** (FSEA_032), **$5\text{m @ } 2.01\text{g/t Au to EOH}$** (FSEA_033) Au, and **$6\text{m @ } 1.34\text{g/t Au to EOH}$** (FSEA_034). Drilling depths at this location were hampered by a hard rock at shallow depths but indicate a shallow mineralised zone of at least 25m width that requires immediate RC follow-up drilling.

All RAB and RC drill traverses and the location of significant intercepts is shown in Figure 4.

DRILL RESULTS FSE AND OTHER AREAS

Potentially significant results were also obtained on reconnaissance drill traverses outside the Fekola to FNE corridor, including a RAB result of **$10\text{m @ } 1.48\text{g/t Au}$** in FKWA_078 and an RC result of **$3\text{m @ } 7.13\text{g/t Au}$** in FKCR_030 that may reflect a new high-grade mineralised surface.

At Fadougou South East (FSE) a series of RAB results to **$10\text{m @ } 1.09\text{g/t Au}$** in FESA_087 and **$7\text{m @ } 2.79\text{g/t Au}$** in FESA_099 were returned, potentially extending the northern strike of FSE for an additional 600m to over 1.3km . Further RC drilling will be required to assess this area. The location of traverses and significant results is shown on Figure 4.



Figure 1: Mali West - Southern Kéniéba-Kedougou Inlier – Medinandi Project Location and regional gold deposits

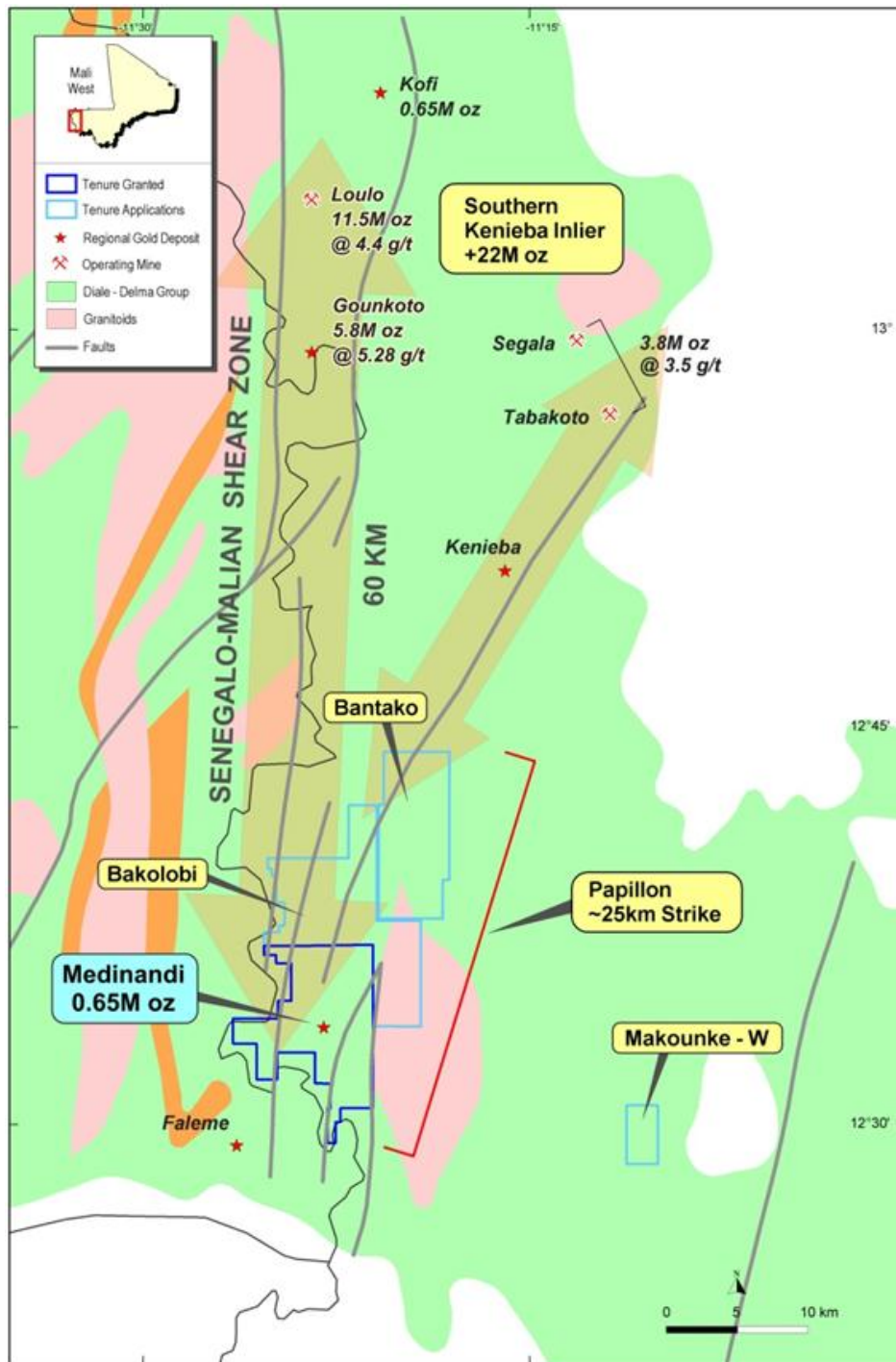




Figure 2: Medinandi Project – Fadougou Main Zone & Exploration Targets with Drill Status

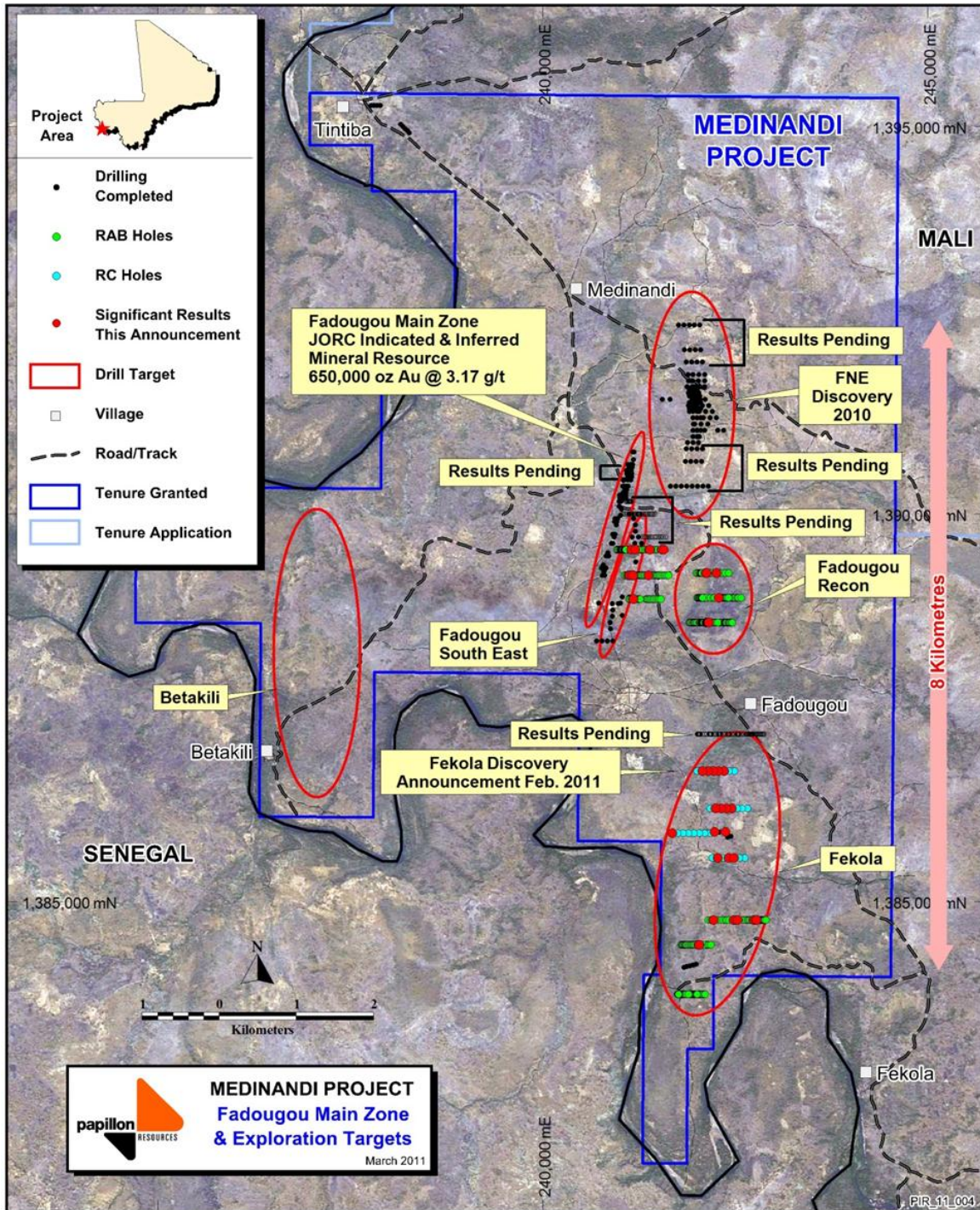




Figure 3: Medinandi Project – IP Chargeability with Exploration Targets

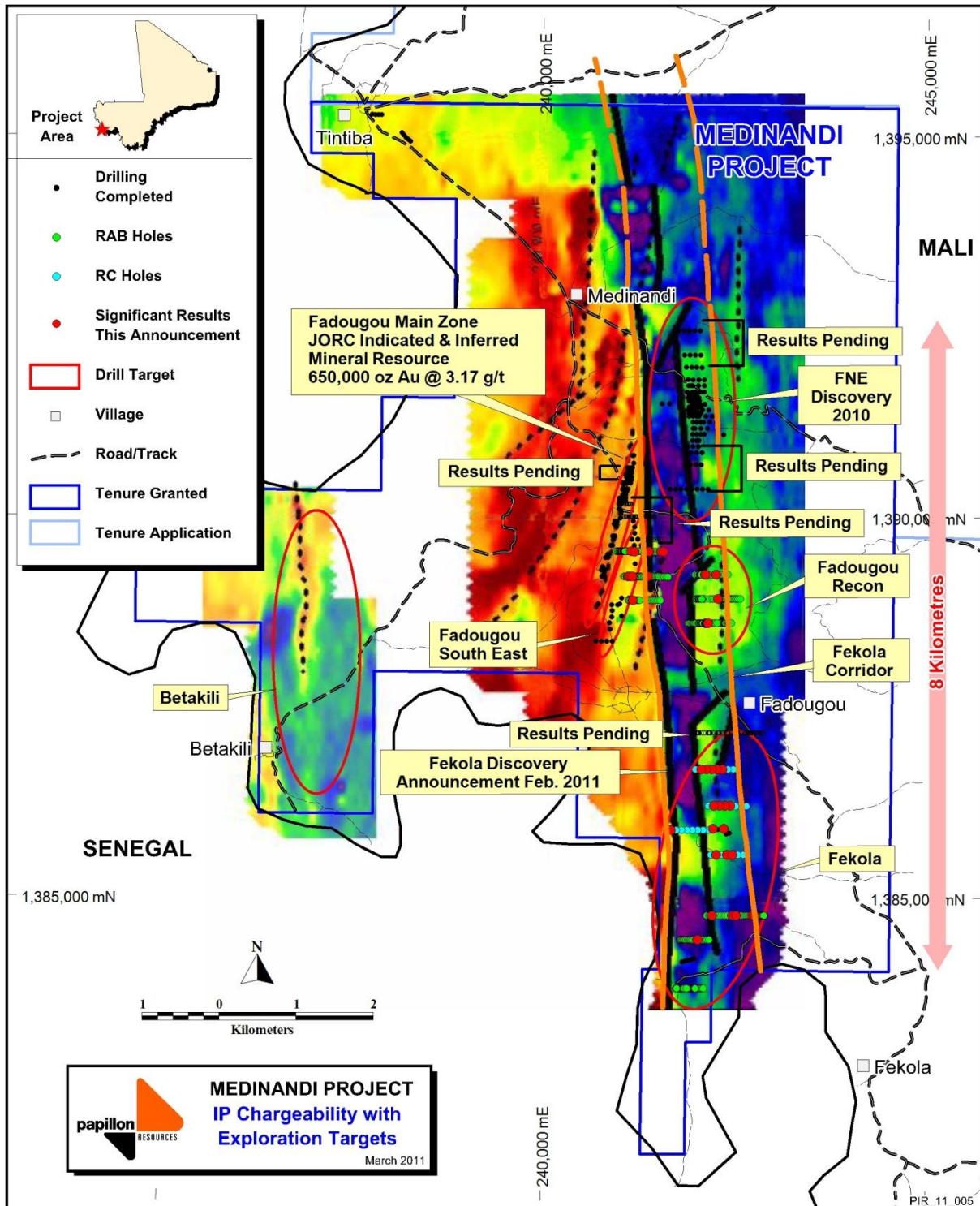




Figure 4: Medinandi Project – Fekola Mineralised Corridor

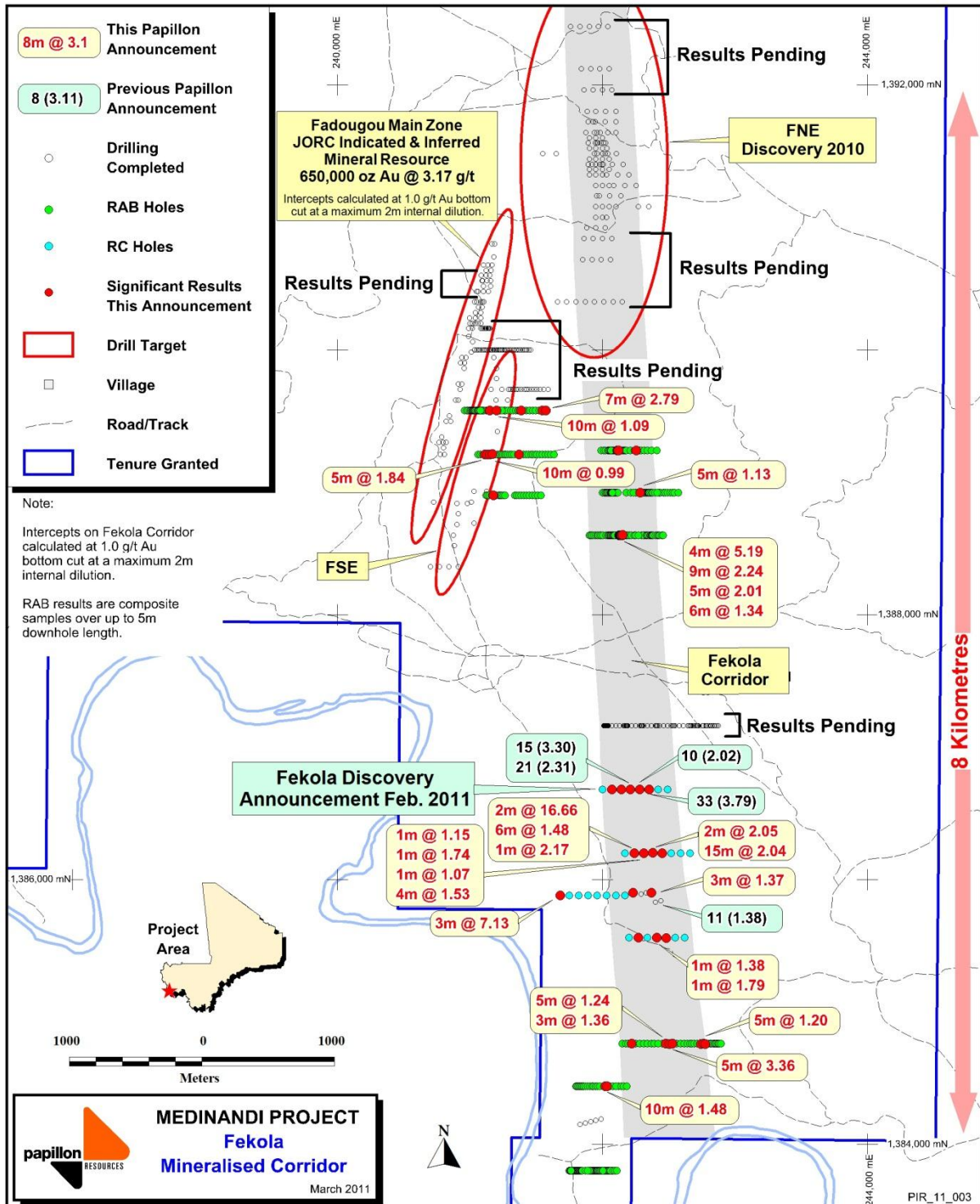




Table 1: Medinandi Project – Mineral Resource Statement for Fadougou Main Zone

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

FUTURE EXPLORATION FOCUS

The Company notes that drilling is at an early stage and considerable infill drilling is required to determine the scale of mineralised positions but it is greatly encouraged by the wide distribution of mineralised intercepts along the Fekola structural corridor. Geological controls are still to be resolved but the continued results have confirmed that the greater Fekola area has potential to host significant mineralising systems and detailed infill and extension drilling will be carried out to determine the near-surface resource potential. Importantly the mineralisation within the Fekola Corridor is closely associated with a strong negative IP chargeability anomaly. This anomaly clearly delineates the host structure and re-enforces the potential scale of the system. (Figure 3 Medinandi IP Chargeability Map)

Exploration over ensuing months will be focused on building our understanding of the Fekola Corridor and will include the following activities:

- ▶ Infill and step out drilling at the Fekola prospect which remains open to the north and south along strike
- ▶ Step-out drilling at the FNE Zone, which remains open to the north and south along strike.
- ▶ Infill and step out drilling at the FSE Zone.
- ▶ Step-out drilling on the Fadougou Main Zone (“FMZ”) to test extension of mineralisation, which remains open to the north and south along strike.
- ▶ RC and / or Diamond drilling at the FMZ to test mineralisation at depth and at Fekola to enhance the geological knowledge of the mineralisation.



- ▶ Rotary Air Blast (“RAB”) drilling of targets generated from ground geophysical surveys.
- ▶ Recon / scout RAB drilling to test geological targets and geochemical anomalies.
- ▶ Preliminary metallurgical test work from selected RC drill samples.
- ▶ Results driven drilling to test potential new mineralised areas.

Following the assessment of these results RC drilling is set to recommence mid-March 2011. RAB geochemical drilling is ongoing.

Full details of the above and the original releases to the ASX upon which they are based (inclusive of all associated figures and tables) are available from Papillon’s website at www.papillonresources.com

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Competent Persons Statement

Information in this report that relates to Exploration Results is based on information compiled by Stuart Hall, who is a Fellow 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 this report of the statements based on his information in the form and context in which it appears.

Information in this report that relates to in-situ Mineral Resource estimates for Fadougou Main Zone is based on information compiled by Mr. Andy Clay, an employee of Venmyn Rand Pty Ltd., geological consultants. Mr. Clay is a competent person for the Fadougou Main Zone estimates and takes overall responsibility for these. Mr. Clay is a Fellow of The Australasian Institute of Mining and Metallurgy 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. Clay consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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.

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.

Appendix 1 – Full RC Drill Results

Fekola								
Drill Hole ID	Location		Orientation		Intersection (m)		Interval (m)	Gold g/t
	Easting	Northing	Dip	Azimuth	From	To		
FKCR_012	242000	1386680	-55	90				NSA
FKCR_013	242660	1386200	-55	90				NSA
FKCR_014	242590	1386200	-55	90				NSA
FKCR_015	242520	1386200	-55	90				NSA
FKCR_016	242450	1386200	-55	90	19	21	2	2.05
FKCR_016	242450	1386200	-55	90	24	39	15	2.04
FKCR_016	242450	1386200	-55	90	44	45	1	2.64
FKCR_016	242450	1386200	-55	90	61	62	1	1.03
FKCR_017	242380	1386200	-55	90	25	26	1	1.51
FKCR_017	242380	1386200	-55	90	29	30	1	1.74
FKCR_017	242380	1386200	-55	90	35	36	1	1.07
FKCR_017	242380	1386200	-55	90	43	47	4	1.53
FKCR_017	242380	1386200	-55	90	60	61	1	1.01
FKCR_017	242380	1386200	-55	90	69	71	2	2.46
FKCR_018	242310	1386200	-55	90	6	8	2	16.66



Fekola								
	Location		Orientation		Intersection (m)			
FKCR_018	242310	1386200	-55	90	81	82	1	2.83
FKCR_018	242310	1386200	-55	90	105	111	6	1.48
FKCR_018	242310	1386200	-55	90	117	118	1	2.17
FKCR_019	242240	1386200	-55	90	58	59	1	1.18
FKCR_019	242240	1386200	-55	90	109	110	1	1.27
FKCR_020	242170	1386200	-55	90	70	71	1	1.21
FKCR_020	242170	1386200	-55	90	79	80	1	1.04
FKCR_021	242370	1385900	-55	90	43	44	1	1.15
FKCR_021	242370	1385900	-55	90	78	81	3	1.37
FKCR_022	242230	1385900	-55	90	123	124	1	1.14
FKCR_022	242230	1385900	-55	90	133	134	1	1.24
FKCR_022	242230	1385900	-55	90	138	139	1	1.60
FKCR_022	242230	1385900	-55	90	174	175	1	1.51
FKCR_023	242170	1385880	-55	90				NSA
FKCR_024	242100	1385880	-55	90				NSA
FKCR_025	242030	1385880	-55	90				NSA
FKCR_026	241960	1385880	-55	90				NSA
FKCR_027	241890	1385880	-55	90	109	110	1	1.77
FKCR_028	241820	1385880	-55	90				NSA
FKCR_029	241750	1385880	-55	90				NSA
FKCR_030	241680	1385880	-55	90	105	108	3	7.13
FKCR_031	242620	1385560	-55	90				NSA
FKCR_032	242550	1385560	-55	90				NSA
FKCR_033	242480	1385560	-55	90	22	23	1	1.29
FKCR_034	242410	1385560	-55	90	20	21	1	1.39
FKCR_034	242410	1385560	-55	90	25	26	1	1.80
FKCR_035	242340	1385560	-55	90				NSA
FKCR_036	242270	1385560	-55	90	13	15	2	1.86
FKCR_036	242270	1385560	-55	90	37	38	1	1.12
FKCR_037	242200	1385560	-55	90	111	113	2	1.72

Notes:

1. Results from Reverse Circulation (RC) drill holes.
2. Samples at 1m intervals for RC drill holes.
3. Assaying conducted by SGS Analabs, Kayes, Mali using industry standard 50g lead collection fire assay with AAS finish.
4. Reference standards, field duplicates and blank samples are routinely inserted; quality control samples are routinely monitored.
5. NSA – No Significant Assays (<1g/t within the hole)



Appendix 2 – Significant RAB Drill Results

Fekola, FSE and Fekola Corridor								
Drill Hole ID	Location		Orientation		Intersection (m)		Interval (m)	Gold g/t
	Easting	Northing	Dip	Azimuth	From	To		
FESA_005	241175	1388900	-60	90	6	11	5	1.19
FESA_028	241110	1389210	-60	90	15	20	5	1.84
FESA_029	241128	1389210	-60	90	15	20	5	1.08
FESA_031	241170	1389210	-60	90	10	15	5	1.32
FSEA_029	242125	1388600	-60	90	4	EOH	2	1.01
FSEA_031	242131	1388600	-60	90	4	EOH	4	5.19
FSEA_032	242135	1388600	-60	90	0	EOH	9	2.24
FSEA_033	242139	1388600	-60	90	4	EOH	5	2.01
FSEA_034	242144	1388600	-60	90	4	EOH	6	1.34
FSEA_035	242149	1388600	-60	90	3	EOH	4	1.04
FSEA_099	242285	1388920	-60	90	2	7	5	1.13
FESA_084	241150	1389540	-60	90	11	16	5	1.23
FESA_087	241199	1389540	-60	90	11	21	10	1.09
FESA_099	241385	1389540	-60	90	31	EOH	7	2.79
FESA_106	241545	1389540	-60	90	18	23	5	1.74
FESA_107	241570	1389540	-60	90	23	28	5	1.14
FKWA_078	242034	1384440	-60	270	6	16	10	1.48
FKCA_013	242477	1384760	-60	90	23	28	5	1.24
FKCA_013	242477	1384760	-60	90	48	EOH	3	1.36
FKCA_015	242529	1384760	-60	90	14	19	5	3.36
FKCA_024	242741	1384760	-60	90	18	23	5	1.20

Notes:

1. Results from Rotary Air Blast (RAB) drill holes.
2. Composite samples of up to 5m for RAB drill holes.