



16 February 2012

Ms Tonia Oliveira  
ASX Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

**RE: PRICE AND VOLUME QUERY**

Dear Tonia,

I refer to the price and volume query from ASX Limited "ASX" of 15 February 2012 to Papillon Resources Limited "the Company", as extended. Accordingly we provide the following responses:

1. The Company is not aware of any market sensitive information that has not been released to the market.

The Company confirms it has announced today diamond drill results from the Fekola Project, which confirm RC drilling results previously released. The Company has adhered to a stringent process that is required to properly disseminate the results in accordance with the JORC Code and to comply with the Company's internal controls. The Company continues to undertake this process in accordance with its continuous disclosure obligations.

Further, Company representatives recently attended the Africa Mining Congress in Livingstone on 1 to 3 February 2012 (Africa Mining Congress presentation released to the market on 3 February 2012) as well as the Indaba conference on 6 to 9 February 2012. Positive feedback was received on the Company's progress at both events.

The Company would also like to draw attention to ASX releases lodged in late January 2012 and early February 2012. Details of drilling results were released on 30 January 2012 and 2 February 2012 respectively. On 3 February 2012, the Company announced its intention to finalise a further capital raising to advance exploration activity.

2. Not applicable.
3. The Company is not aware of any other reason for the change in price in the Company's securities.
4. The Company confirms that it is in compliance with the Listing Rules and in particular Listing Rule 3.1.

Should you have any further queries, please call me on 9389 2111.

Yours faithfully

A handwritten signature in black ink, appearing to read "Dennis Wilkins".

**Dennis Wilkins**  
Company Secretary



ASX Compliance Pty Limited  
ABN 26 087 780 489  
Level 6 Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

GPO Box D187  
PERTH WA 6840

Telephone 61 8 9224 0000  
Facsimile 61 8 9221 2020  
[www.asx.com.au](http://www.asx.com.au)

15 February 2012

Dennis Wilkins  
Company Secretary  
Papillon Resources Limited

By email: [Fiona@dwcorporate.com](mailto:Fiona@dwcorporate.com)

Dear Dennis

**Papillon Resources Limited ("the Company")**

**PRICE AND VOLUME QUERY**

We have noted a change in the price of the Company's securities from a closing price on Wednesday 18 January 2012, of \$0.67 to an intra-day high today, Wednesday 15 February 2012 of \$1.06. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 5:00pm (WST) today 15 February 2012.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,



Tonia Oliveira

**Adviser, Issuers (Perth)**