

FAXED

**To** Company announcements office ASX  
Facsimile 1300 135 638

Company Secretary  
Papillon Resources Limited  
Facsimile +61 8 9322 6558

**From** Henry Wong  
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Our Ref SSE:HLW:20-6818439

**Date** 26 June 2013  
Number of pages (including this one): 6

**Subject** Notice of initial substantial holder

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Please find attached a notice of initial substantial holder in relation to shares in Papillon Resources Limited from Van Eck Associates Corporation.

Regards  
**MINTER ELLISON**

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If you do not receive all pages please telephone +61 2 9921 8536

**IMPORTANT** - The contents of this facsimile may be privileged and confidential. Any unauthorised use of the contents is expressly prohibited. If you have received the document in error, please advise us by telephone (reverse charges) immediately and then shred the document. Thank you.

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**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of initial substantial holder**

To Company Name/Scheme Papillon Resources Limited

ACN/ARSN 119 655 891

**1. Details of substantial holder (1)**

Name Van Eck Associates Corporation (and its associates as referred to in paragraph 6).

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 21/06/2013

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4) | Number of securities | Person's votes (5) | Voting power (6) |
|-------------------------|----------------------|--------------------|------------------|
| Ordinary shares         | 25,711,266           | 25,711,266         | 7.63%            |

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest           | Nature of relevant interest (7)   | Class and number of securities |
|---------------------------------------|---|--------------------------------|
| Van Eck Associates Corporation (VEAC) | VEAC holds its relevant interest by having the power to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates in the ordinary course of investment management business. | 25,711,266                     |

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities  | Person entitled to be registered as holder (8)           | Class and number of securities |
|-----------------------------|--|--|--------------------------------|
| VEAC                        | Bank of New York Mellon as custodian for Market Vectors Trust - Junior Gold Miners ETF | Market Vectors Trust - Junior Gold Miners ETF (GDJX)     | Ordinary shares<br>20,515,989  |
| VEAC                        | State Street Bank as custodian for Van Eck Funds - International Investors Gold Fund   | Van Eck Funds - International Investors Gold Fund (IIG)  | Ordinary shares<br>3,700,000   |
| VEAC                        | Credit Agricole as custodian for LODH Invest - The World Gold Expertise Fund           | LODH Invest - The World Gold Expertise Fund (LODH)       | Ordinary shares<br>873,000     |
| VEAC                        | JPMorgan as custodian for Jackson National   | Jackson National/Van Eck International Fund (JLGOLD)     | Ordinary shares<br>448,800     |
| VEAC                        | Northern Trust as custodian for Lockheed Martin Corporation Master Retirement Trust    | Lockheed Martin Corporation Master Retirement Trust (LM) | Ordinary shares<br>180,000     |

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|      |  |   |                           |
|------|--|---|---------------------------|
| VEAC | State Street Bank as custodian for Van Eck VIP Trust – VIP Global Gold | Van Eck VIP Trust – VIP Global Gold (VGOLD) | Ordinary shares<br>11,000 |
| VEAC | Market Vectors Australia   | All S&P/ASX 200 Resources (ASX:MAM)         | Ordinary shares<br>2,477  |

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (\$) |          | Class and number of securities |
|-----------------------------|---------------------|--------------------|----------|--------------------------------|
|                             |                     | Cash               | Non-cash |                                |
| VEAC                        | See Annexure A      |                    |          |                                |
|                             |                     |                    |          |                                |

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

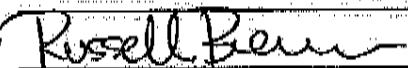
| Name and ACN/ARSN (if applicable)      | Nature of association                                 |
|--|---|
| VEAC                                   | Associate under section 12(2) of the Corporations Act |
| Van Eck Securities Corporation         | Associate under section 12(2) of the Corporations Act |
| Van Eck Absolute Return Advisers, Inc. | Associate under section 12(2) of the Corporations Act |

**7. Addresses**

The addresses of persons named in this form are as follows:

| Name                                   | Address                                |
|--|--|
| VEAC                                   | 335 Madison Avenue, New York, NY 10017 |
| Van Eck Securities Corporation         | 335 Madison Avenue, New York, NY 10017 |
| Van Eck Absolute Return Advisers, Inc. | 335 Madison Avenue, New York, NY 10017 |

**Signature**

print name Russell Brennan capacity Assistant Vice President  
 sign here  date 25/06/2013

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:

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- (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
- (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

## GUIDE

This guide does not form part of the prescribed form and is included by ASIC to assist you in completing and lodging form 603.

|                                    |  |
|------------------------------------|--|
| <b>Signature</b>                   | This form must be signed by either a director or a secretary of the substantial holder.  |
| <b>Lodging period</b>              | Nil  |
| <b>Lodging Fee</b>                 | Nil  |
| <b>Other forms to be completed</b> | Nil  |
| <b>Additional Information</b>      | <p>(a) If additional space is required to complete a question, the information may be included on a separate piece of paper annexed to the form.</p> <p>(b) This notice must be given to a listed company, or the responsible entity for a listed managed investment scheme. A copy of this notice must also be given to each relevant securities exchange.</p> <p>(c) The person must give a copy of this notice:</p> <ul style="list-style-type: none"> <li>(i) within 2 business days after they become aware of the information; or</li> <li>(ii) by 9.30 am on the next trading day of the relevant securities exchange after they become aware of the information if: <ul style="list-style-type: none"> <li>(A) a takeover bid is made for voting shares in the company or voting interests in the scheme; and</li> <li>(B) the person becomes aware of the information during the bid period.</li> </ul> </li> </ul> |
| <b>Annexures</b>                   | <p>To make any annexure conform to the regulations, you must</p> <ol style="list-style-type: none"> <li>1 use A4 size paper of white or light pastel colour with a margin of at least 10mm on all sides</li> <li>2 show the corporation name and ACN or ARBN</li> <li>3 number the pages consecutively</li> <li>4 print or type in BLOCK letters in dark blue or black ink so that the document is clearly legible when photocopied</li> <li>5 identify the annexure with a mark such as A, B, C, etc</li> <li>6 endorse the annexure with the words:<br/><i>This is annexure (mark) of (number) pages referred to in form (form number and title)</i></li> <li>7 sign and date the annexure.</li> </ol> <p>The annexure must be signed by the same person(s) who signed the form.</p>   |

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**Information in this guide is intended as a guide only. Please consult your accountant or solicitor for further advice.**

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**This is Annexure A of 1 pages referred to in Form 803  
Notice of initial interests of substantial holder**

| Holder of relevant Interest | Date of Acquisition/Disposal | B/S | Consideration Cash | Consideration Non-cash | Number of Securities |
|-----------------------------|------------------------------|-----|--------------------|------------------------|----------------------|
| JLGOLD                      | 3/11/2013                    | B   | \$ 46,619          | \$ -                   | 34,000               |
| MAM.AU                      | 4/2/2013                     | B   | \$ 982             | \$ -                   | 744                  |
| JLGOLD                      | 4/8/2013                     | B   | \$ 27,229          | \$ -                   | 22,000               |
| LODH                        | 4/18/2013                    | S   | \$ 75,289          | \$ -                   | 82,000               |
| JLGOLD                      | 4/22/2013                    | B   | \$ 59,874          | \$ -                   | 60,000               |
| VGOLD                       | 4/29/2013                    | B   | \$ 4,042           | \$ -                   | 4,000                |
| VGOLD                       | 5/15/2013                    | B   | \$ 1,715           | \$ -                   | 2,000                |
| JLGOLD                      | 5/22/2013                    | B   | \$ 33,994          | \$ -                   | 48,000               |
| VGOLD                       | 5/23/2013                    | B   | \$ 675             | \$ -                   | 1,000                |
| VGOLD                       | 6/5/2013                     | B   | \$ 796             | \$ -                   | 1,000                |
| VGOLD                       | 6/11/2013                    | B   | \$ 771             | \$ -                   | 1,000                |
| VGOLD                       | 6/21/2013                    | B   | \$ 1,611           | \$ -                   | 2,000                |
| GDXJ                        | 6/21/2013                    | B   | \$ 16,515,371      | \$ -                   | 20,515,989           |
| GDXJ                        | 6/21/2013                    | B   | \$ 16,515,371      | \$ -                   | 20,515,989           |
| GDXJ                        | 6/21/2013                    | B   | \$ 16,515,371      | \$ -                   | 20,515,989           |
| GDXJ                        | 6/22/2013                    | B   | \$ 16,515,371      | \$ -                   | 20,515,989           |
| LODH                        | 6/24/2013                    | S   | \$ 135,588         | \$ -                   | 200,000              |
| GDXJ                        | 6/24/2013                    | S   | \$ 118,619         | \$ -                   | 161,500              |

In-kind transactions result from GDXJ receiving a basket of securities (including Papillon Resources Ltd) in exchange for securities in GDXJ.

RB