

**ASX RELEASE** | 17 February 2014 | ASX:PIR

## **PAPILLON ACHIEVES MAJOR MILESTONE WITH GRANTING OF FEKOLA MINING PERMIT**

- ▶ Fekola Mining Permit granted by Malian Government.
- ▶ Mining Permit is the final major approval required to develop and mine the Fekola gold deposit; and
- ▶ Mining Permit is valid for 30 years.

**Papillon Resources Limited ('Papillon' or 'the Company')** is pleased to announce that the Malian Government has granted the Company a Mining Permit (Permis d'exploitation) to develop and mine its flagship Fekola Gold Project ('Fekola' or 'Project').

The Mining Permit, which is valid for a period of 30 years, covers the entire 75km<sup>2</sup> area of the Fekola Exploration Permit. The Mining Permit, together with the Company's Environmental Permit, which was awarded in April 2013, are the final significant permitting milestones for the Company, giving it security of tenure, and final approval for the mine development and exploitation of gold at Fekola.

The award of the Mining Permit by the Government was based on a recommendation by the Ministry of Industry and Mines and follows the submission of a detailed application, including technical studies, an Environmental and Social Impact Assessment ('ESIA'), Community Development Plans, and the completion of a number of technical review sessions with various Government agencies.

Commenting on the award of the Mining Permit, Papillon's Managing Director and CEO, Mark Connelly said:

*"We are now one very significant step closer to the commencement of mining operations at the world class Fekola Project. Following the award of our Environmental Permit in April 2013, this is an important step in the permitting process for Papillon, further reducing the risk of our development execution strategy.*

*The support that the Government of Mali, and in particular the Ministry of Industry and Mines, has shown Papillon, and the diligence with which it has processed our application, must be highly commended. We look forward to continuing to work with the Government in the development of Fekola as we progress in the coming months."*

The Pre-Feasibility Study ('PFS') for Fekola, which was completed in mid-2013, highlighted the Project's technical viability, robust economics and the capacity to operate with significant cash margins. In particular, it demonstrated that the Project should deliver over 300,000 ounces of gold per annum with low operating costs.

Fekola is expected to contribute significantly to Mali's economy and will directly and indirectly employ and train a significant number of Malian nationals. It will also be a catalyst for further exploration in the district, which already has a world class gold endowment, as well as the development of other nearby gold projects in Mali.

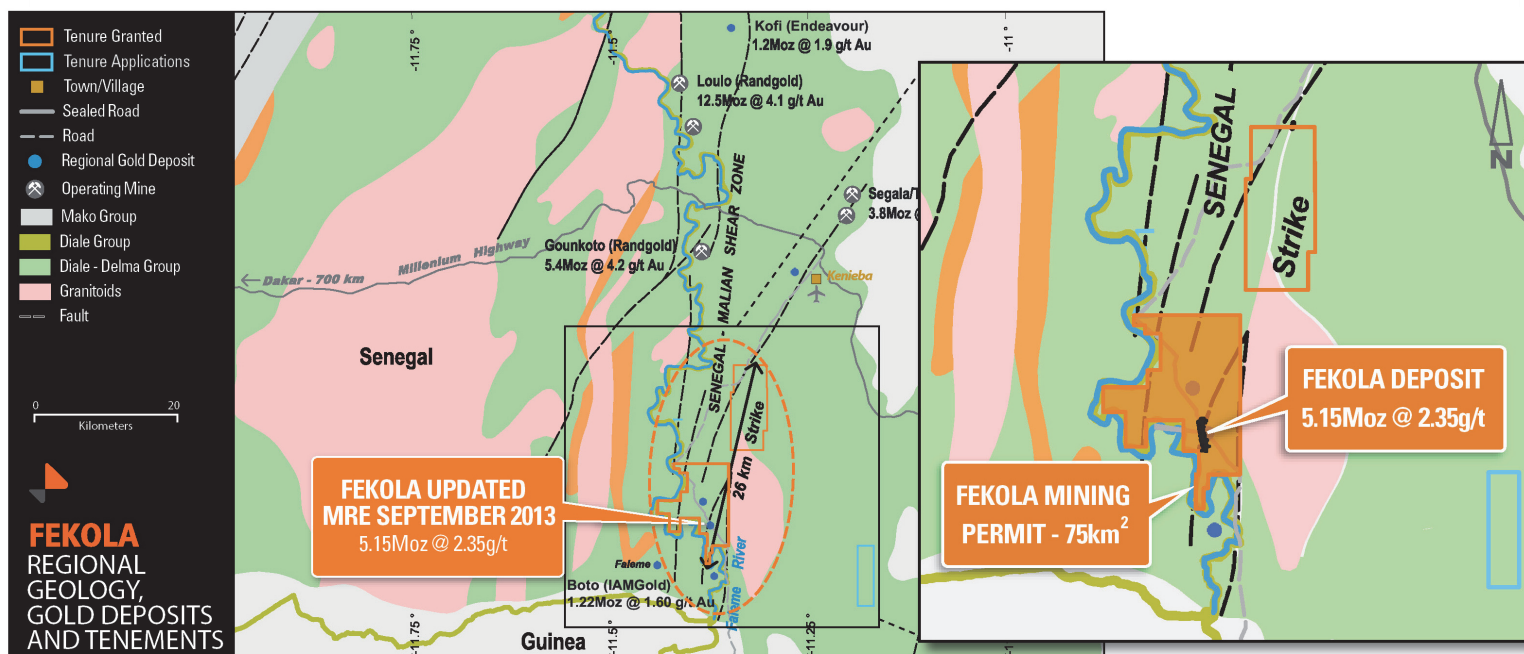
Papillon is currently conducting a thorough technical review of its PFS, prior to commencing the Definitive Feasibility Study ('DFS'). Areas of focus include incorporation of the new MRE into mining schedules, improved infrastructure locations and site layout, as well a further metallurgical and comminution test work program, all aimed at further reducing capital and operating costs. The DFS is planned to commence in the first quarter of 2014.

It is anticipated that design and engineering for the Project will be completed during the second half of 2014, which will lead to a Final Investment Decision for the development of Fekola.

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**Figure 1: Fekola Gold Project location; Mining Permit Location**

### **Competent Person Statements**

*The information in this report that relates to Exploration Results was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled by Mr Andrew Boyd of Cairn Geoscience Limited. Mr Boyd is a Member of the Australian Institute of Geoscientists 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 Boyd consents to the inclusion in this Report of the statements based on his information in the form and context in which it appears.*

*The information in this report that relates to Mineral Resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The information in this report that relates to Mineral Resources is based on, and fairly represents, information compiled by Mr Nic Johnson of MPR Geological Consultants. Mr Johnson is a Member of the Australian Institute of Geoscientists 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 Johnson consents to the inclusion in this Report of the statements based on his information in the form and context in which it appears.*

*The information in this report that relates to the Pre-Feasibility Study was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The information in this report that relates to the Pre-Feasibility Study is based on information compiled by Mr Glenn Bezuidenhout of DRA Mineral Projects. Mr Bezuidenhout is a Fellow of The South African Institute of Mining and Metallurgy (SAIMM), 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 Bezuidenhout consents to the inclusion in this report of the statements based on his information in the form and context in which it appears.*

### **Forward Looking Statements**

*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.*