

NESTOR INVESTMENT MANAGEMENT S.A.
LUXEMBOURG

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3 pages (incl. cover-page)

Fax number: +61 8 9225 4599
PAPILLON RESOURCES LIMITED
Level 21 Allendale Square, 77 St Georges Terrace
PERTH, WA, 6000
Australia

Daniela Loewen
Fundadministration
Phone: +352 42 44 91 521
Telefax: +352 26 43 17 202

Luxembourg, 22/04/2010

and

Fax number: +61 2 9347 0005
ASX Company Announcements Office

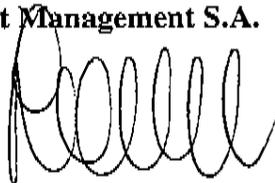
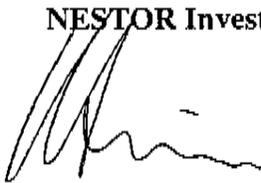
Form 603 – Notice of initial substantial shareholder

Dear Sirs,

please find attached Form 603 Notice of initial substantial holder of the following company for release to the market:

PAPILLON RESOURCES LIMITED
(ASX: PIR)

Best regards,

NESTOR Investment Management S.A.

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme PAPILLON RESOURCES LTD (ASX: PIR)

ACN / ARSN 119 655 891

1. Details of substantial holder (1)

Name NESTOR Investment Management S.A. on behalf of NESTOR Australien Fonds
(an UCI under the Laws of the Grand Duchy of Luxembourg)

ACN / ARSN (if applicable) _____

The holder became a substantial holder on 25 / 03 / 2010

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 Fully Paid	7,894,043	7,894,043	5.09%

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
NESTOR Investment Management S.A. on behalf of NESTOR Australien Fonds	Power to control voting and/or disposal of securities	Ordinary Shares 7,894,043

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
NESTOR Investment Management S.A. on behalf of NESTOR Australien Fonds	NESTOR Investment Management S.A. on behalf of NESTOR Australien Fonds	NESTOR Investment Management S.A. on behalf of NESTOR Australien Fonds	Ordinary Shares 7,894,043

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 (9)		Class and number of securities
		Cash	Non-cash	
NESTOR Investment Management S.A. on behalf of NESTOR Australien Fonds	23/03/2010 Ex-Date		Corporate Action	Ordinary Shares 7,209,244
NESTOR Investment Management S.A. on behalf of NESTOR Australien Fonds	25/03/2010	62,203		Ordinary Shares 684,799

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

7. Addresses

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

Name	Address
NESTOR Investment Management S.A. on behalf of NESTOR Australien Fonds	2, Place Francois-Joseph Dargent L-1413 Luxembourg Grand Duchy of Luxembourg

Signature

print name Kröddgen Loewen capacity Administrator
 sign here  date 22.04.2010

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (e.g. 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:
 - (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 (e.g. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money 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.