

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

| | |
|-----------------------|----------------------------|
| Name of entity | Papillon Resources Limited |
| ABN | 96 119 655 891 |

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

| | |
|----------------------------|--------------------------|
| Name of Director | Jeremy David Shervington |
| Date of last notice | 22 July 2010 |

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

| | |
|---|---|
| Direct or indirect interest | a) Direct b) Indirect c) Indirect |
| Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small> | b) Panga Pty Ltd c) Drumgaghan Pty Ltd |
| Date of change | 26 July 2010 |
| No. of securities held prior to change | a) 100,016 ordinary shares 6,250 options (20 cents, expiring 31/12/2010) 43,757 listed options (20 cents, expiring 31/12/12) b) 7,979,200 ordinary shares 1,400,000 options (20 cent, expiring 31/12/10) 4,230,900 listed options (20 cent, expiring 31/12/12) c) 100,000 ordinary shares 6,250 options (20 cent, expiring 31/12/10) 43,750 listed options (20 cent, expiring 31/12/12) |
| Class | Listed options (20 cents, expiring 31/12/2012) |
| Number acquired | 10,000 |
| Number disposed | Nil |
| Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small> | \$410.00 plus brokerage |

+ See chapter 19 for defined terms.

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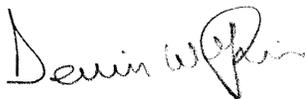
| | |
|---|---|
| No. of securities held after change | a) 100,016 ordinary shares 6,250 options (20 cents, expiring 31/12/2010) 43,757 listed options (20 cents, expiring 31/12/12) b) 7,979,200 ordinary shares 1,400,000 options (20 cent, expiring 31/12/10) 4,240,900 listed options (20 cent, expiring 31/12/12) c) 100,000 ordinary shares 6,250 options (20 cent, expiring 31/12/10) 43,750 listed options (20 cent, expiring 31/12/12) |
| Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back | On-market trade |

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

| | |
|--|--|
| Detail of contract | |
| Nature of interest | |
| Name of registered holder (if issued securities) | |
| Date of change | |
| No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed | |
| Interest acquired | |
| Interest disposed | |
| Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation | |
| Interest after change | |

28 July 2010



Dennis Wilkins
Company Secretary

+ See chapter 19 for defined terms.