ASX RELEASE | 26 June 2013 | ASX:PIR

PAPILLON DELIVERS OUTSTANDING PRE-FEASIBILITY STUDY FOR FEKOLA GOLD PROJECT

LOW OPERATING COSTS, OVER 300,000 OUNCES PER ANNUM

Highlights:

- Positive Pre-Feasibility Study confirms technical viability and robust economics of Fekola Project;
- Average annual production of 306,000 ounces of gold over Life of Mine ('LOM');
- Initial mine life of nine years with significant potential for extensions;
- Average plant mill feed grade of 2.73 g/t gold;
- Average operating costs (C1 cash costs) of approximately US$580 per ounce LOM;
- All-in-sustaining cash costs including corporate overheads, sustaining capital, exploration expenditure and royalties of approximately US$725 per ounce LOM;
- Capital cost, including all associated project infrastructure, of US$292 million (including 15% contingency); and
- Strong cash flow generation with potential average annual pre-tax operating cash flows of approximately US$190 million LOM using a flat US$1,300 per ounce gold price.

Papillon Resources Limited ('Papillon' or 'the Company') is pleased to announce that its Pre-Feasibility Study ('PFS') for the Company's flagship Fekola Gold Project ('Fekola' or 'the Project') in Mali, West Africa, has confirmed the Project's technical viability, robust economics and capacity to operate with significant positive cash margins.

Papillon's Managing Director and CEO, Mark Connelly, commented: *"The completion of the PFS for the Fekola Project confirms that the Project is large scale, low cost and extremely robust. In fact, our sensitivities show that, using our current mining schedules, Fekola will still produce average pre-tax (post royalty) operating cash flows in excess of US$130 million per annum using a flat US$1,100 per ounce gold price. During the initial nine year mine life, gold production averages in excess of 306,000 ounces per annum, with all-in-sustaining cash costs of approximately US$725 per ounce. This scale of planned production will elevate Papillon into the mid-tier of gold producers, while operating with low all-in-sustaining cash costs of production."*

Gold Price Sensitivity Analysis	US$1,100 / oz	US$1,300 / oz (Base Case)	US$1,500 / oz
Recovered Gold (ounces)	2.8 million	**2.8 million**	2.8 million
Average annual revenue (net of royalties)	US$320 million	**US$375 million**	US$435 million
Average annual operating cash flow (pre-tax, post royalties)	US$130 million	**US$190 million**	US$250 milllion
All-in-sustaining cash costs (approx.)	US$725/oz	**US$725/oz**	US$725/oz

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The Project currently hosts a Mineral Resource Estimate ('MRE'), which comprises 54.97 million tonnes averaging 2.38 g/t gold for a contained 4.21 million ounces of gold at a lower cut-off grade of 1.0 g/t gold, including 3.50 million ounces of gold classified into the Measured and Indicated ('M&I') Resource categories.

The PFS, which incorporates only the M&I Resources, is based on open pit mining and a conventional Carbon in Leach ('CIL') processing circuit, designed to process 4.0 million tonnes per annum during steady state operation. The Company will utilise contract miners thus removing the requirement for capital expenditure on fleet.

The capital cost (nominally ± 25% accuracy) for the Project is US$292 million, including a 15% contingency, which comprises US$104 million for the processing plant, US$129 million for project infrastructure and US$21 million for indirect costs.

Key operating results of the PFS include:

Total gold production	2.8 million ounces
Average gold production (LOM)	approx. 306,000 ounces per annum
Years 1 - 8 gold production	approx. 320,000 ounces per annum
Mine Life	9 years
Cash operating cost (LOM)	approx. US$580 per ounce
Stripping ratio (LOM)	3.0 : 1 (assumes low grade ore is processed)
Cut-off grade	1.1 g/t

The PFS production profile of nine years at approximately 306,000 ounces per annum represents a solid base case for Papillon. Recent exploration results, which have demonstrated continuation of the high grade shoot down plunge and along strike to the north of the current pit, highlight the exploration potential of the Project. It is expected that these results, and continuing exploration, will add significantly to the current base case production profile and mine life.

The Company will now undertake a review process prior to the award of the Definitive Feasibility Study ('DFS'). Opportunities to further enhance the Project economics through capital and operating cost reductions identified during the review phase will be incorporated into the final scope of the DFS.

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Introduction

Papillon is pleased to report the results of the PFS conducted on the current Mineral Resource Estimate ('MRE') for the Company's flagship Fekola Project, located in south western Mali (Figure 1).

The PFS has been managed by Papillon, and has been completed using a number of specialist independent consultants covering all of the key disciplines.

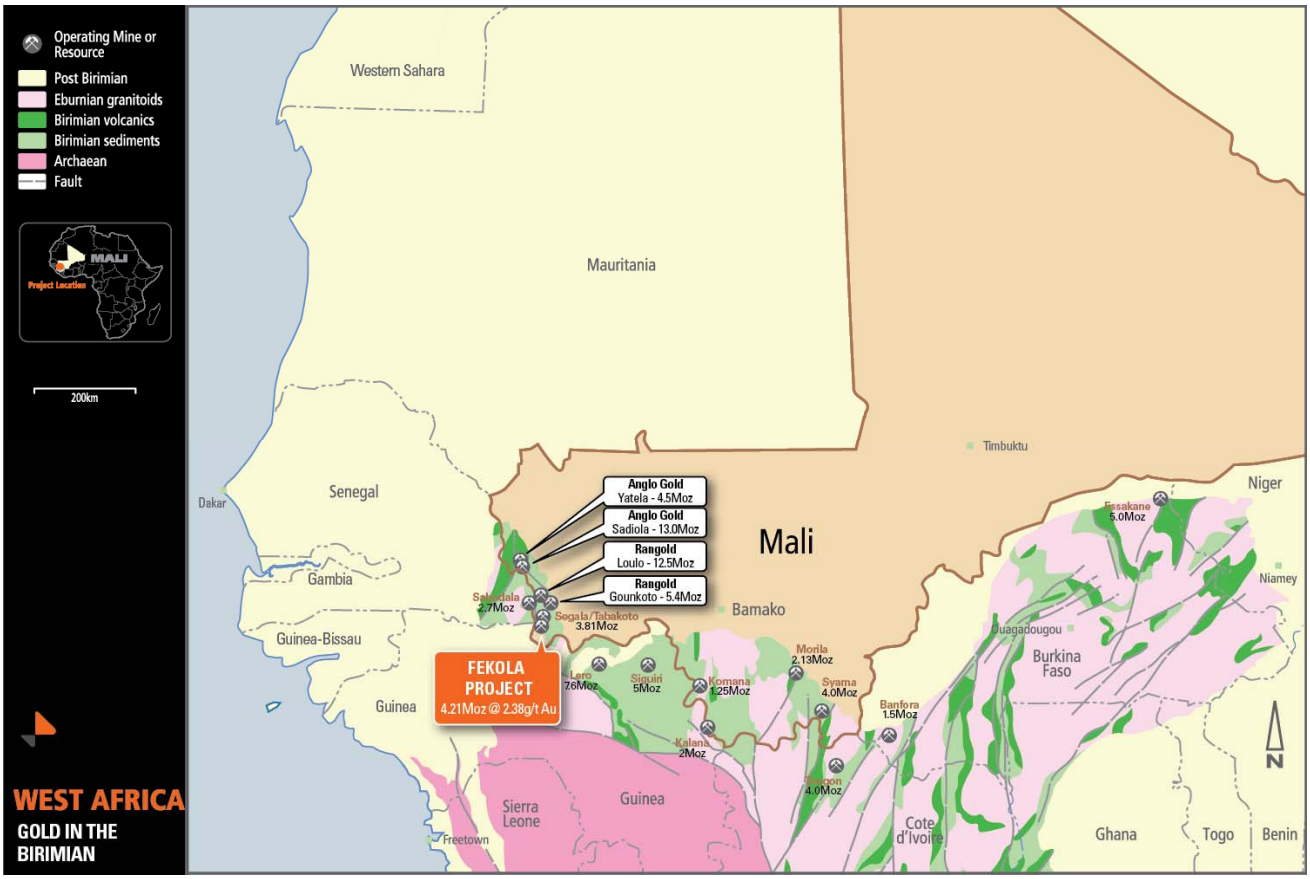

Figure 1: Fekola Project – Location Map

Pre-Feasibility Study Parameters

The PFS was completed using the following guiding parameters:

- Minimum Life of Mine ('LOM') — 9 years
- Minimum Average LOM Production — 300,000 ounces per annum
- Average LOM Strip Ratio — 3.0 : 1 (waste to ore, assumes low grade ore is processed)
- Ore Processing Rate — 4 million tonnes per annum
- Mining Cut-off Grade — 1.1 g/t gold
- Metallurgical Recovery — 89% – 93% (approx. recovery curve)
- Average Mining Cost — US$4.07 per tonne
- Process costs — US$19.40 per tonne processed
- General and Administration ('G&A') — US$2.50 per tonne processed
- Gold Price — US$1,300 per ounce (Base Case)

The key considerations in the PFS were the preferred mining and processing route, scale, throughput rate, project life, infrastructure requirements to support the production profile and diligent consideration to community and environmental impacts.

The minimum life of the Project is nine years, but has the potential to be significantly increased, given that mineralisation remains open at depth and along strike in the current MRE area and that only a small portion of the strike extent of the highly prospective Fekola Corridor has been tested to date. The PFS is therefore considered to be a base case scenario.

Mineral Resources

The MRE was prepared by Perth based independent consultants, MPR Geological Consultants Pty Ltd ('MPR'), and is reported in accordance with the JORC Code (2004). The MRE was announced to the Australian Securities Exchange ('ASX') on 24 January 2013.

Table 1: Summary of Mineral Resource Estimate

Fekola Project Mineral Resource Estimate – 24 January 2013			
	Tonnage (million tonnes)	**Grade (g/t gold)**	**Contained Gold (million ounces)**
Measured Resource	34.73	2.48	2.77
Indicated Resource	9.57	2.36	0.73
Sub-Total Resource M&I	**44.31**	**2.46**	**3.50**
Inferred Resource	10.7	2.1	0.7
Total Resource	**54.97**	**2.38**	**4.21**

Notes: The resource is reported at a lower cut-off grade of 1.0 g/t gold

The resource is estimated on a 100% basis of which 90% is attributable to Papillon

All figures are rounded to reflect appropriate levels of confidence. Apparent differences occur due to rounding

The MRE was based on data from approximately 81,000 metres of combined reverse circulation ('RC') and diamond drilling conducted during 2011 and 2012. The drilling extended over a strike length of approximately 3.8 kilometres, which represents a small portion of the strike extent of the highly prospective Fekola Corridor (Figure 2), and extends to a maximum vertical depth of 270 metres. Mineralisation remains open at depth and along strike to both the north and south. Accordingly, the reported MRE is considered a base case and potential exists to substantially increase the resource base with ongoing work.

For further detailed information on the regional and local geology, available data, resource modelling methodology and classification criteria refer to the ASX Announcement dated 24 January 2013.

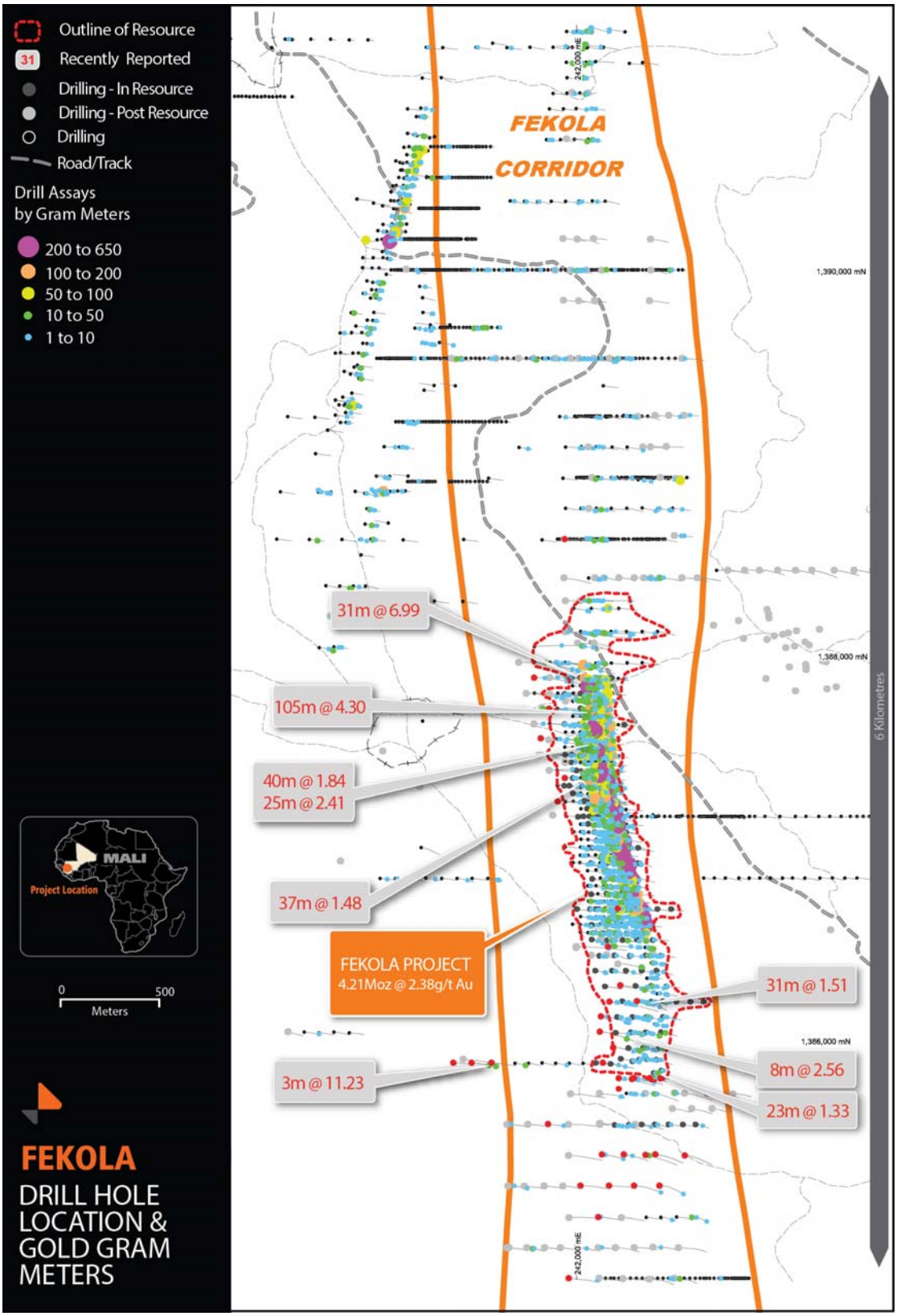

Figure 2 – Resource Area within Fekola Corridor

Mining

Conventional open pit mining methods comprising diesel-powered truck and shovel operations, in combination with an effective drill and blast plan, will be used for the mining of both ore and waste. As part of the PFS, a series of optimisations were completed on the MRE. Materials classified in the Measured and Indicated Resource categories were used in the optimisation process, with the results used to develop the LOM mining schedule. Inputs for the Whittle optimisation process included:

- Flat US$1,300 per ounce gold price;
- 10% discount rate;
- 89-93% processing recovery;
- Overall pit wall slope angles of 48.5 degrees; and
- Lower cut-off grade of 1.1 g/t gold.

The analyses in the finalisation stage of the PFS indicated that the mine production and cash flow could be optimised via processing at a higher cut-off grade and stockpiling the low grade ore. This strategy provided significant improvement in the project cash flow due to the relatively low stripping ratio, continuous high grade core and long mine life characteristics of the Fekola mineralisation.

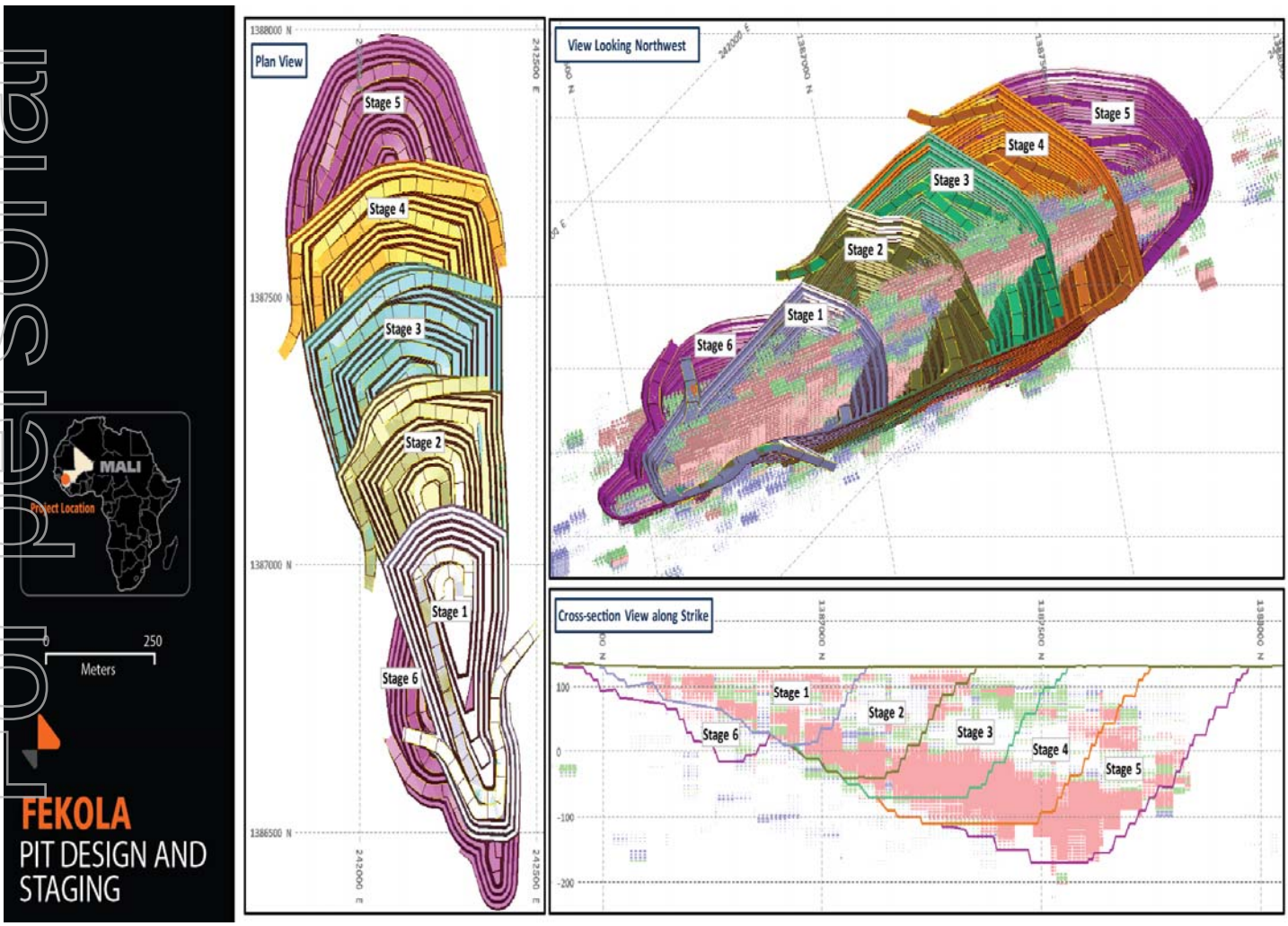

Figure 3: Pit Design and Staging

The PFS mine production schedule results can be summarised in two primary operational phases as follows:

1. Pre-production and ramp-up period of three months:
   - 3.9 million tonnes of total material will be mined, with a total mining cost of US$15.9 million; and
   - 0.27 million tonnes of ore at an average grade of 2.2 g/t gold will be stockpiled prior to plant commissioning.

2. Mining and processing operations of 8.5 years:
   - 34.0 million tonnes of the Measured and Indicated ('M&I') Resources at an average grade of 2.73 g/t gold (above the 1.1 g/t cut-off grade) is scheduled for processing;
   - 2.8 million ounces of gold will be recovered from the processed resource at an average recovery of 92.7% and average operating cost of US$580 per ounce;
   - Open pit mining will consist of five distinct stages, which ensures high grade ore is consistently available to the mill and processing circuit; and
   - 183 million tonnes of total material will be mined with an overall stripping ratio of 3.0 : 1 during the life of open pit operations.

During this phase, the average grade of the material scheduled for processing (2.73 g/t) is higher than the average grade of the M&I Resource (2.46 g/t) and accordingly, significant tonnages of mined low grade material will report to a low grade stockpile. Given the Company's focus on low cost, high margin production ounces, the stockpiled low grade ore will not be processed in the current mine plan.

The mining cost estimate of US$4.07 per tonne assumes the use of contract mining.

Processing

As part of the PFS, the Company selected core samples from four regions of the Fekola open pit relating to the mining schedule and used these as part of the detailed metallurgical test work program (refer ASX announcement dated 3 September 2012). This complements the previous metallurgical test work conducted at the Project. The extensive batch test work produced the following key results:

- Average Ball Mill Work Indices of 19.4 – 21.4 kWh/tonne and Abrasive index (Ai) of 0.26 – 0.31. Based on these preliminary results, the ore is described as hard and moderately abrasive;
- The ore is amenable to Gravity Recoverable Gold concentration to recover liberated free gold within the milling circuit;
- Direct cyanidation gold recovery ranged between 89.3% - 93.3% after processing in a Carbon in Leach ('CIL') mode designed for 18 hours;
- An increase in recovery is seen as the leach feed grind size becomes finer. A leach feed grind size of 80% passing 75 micron was used;
- Encouraging leach kinetics with rapid leach times i.e. 90% gold dissolution within 10 hours;
- Cyanide and lime consumptions were within the low end of normal ranges of 0.4-0.9 kg/t and 0.2-0.8 kg/t respectively; and
- Flocculant test work indicated good settling characteristics with a consumption of 10 g/t.

The test work results confirm that the ore at Fekola exhibits simple metallurgical characteristics and is amenable to Gravity Recovery by gravity concentration and a conventional CIL process. The following diagram shows the preliminary flow sheet design for the processing plant at Fekola, which is a simple and well understood process.

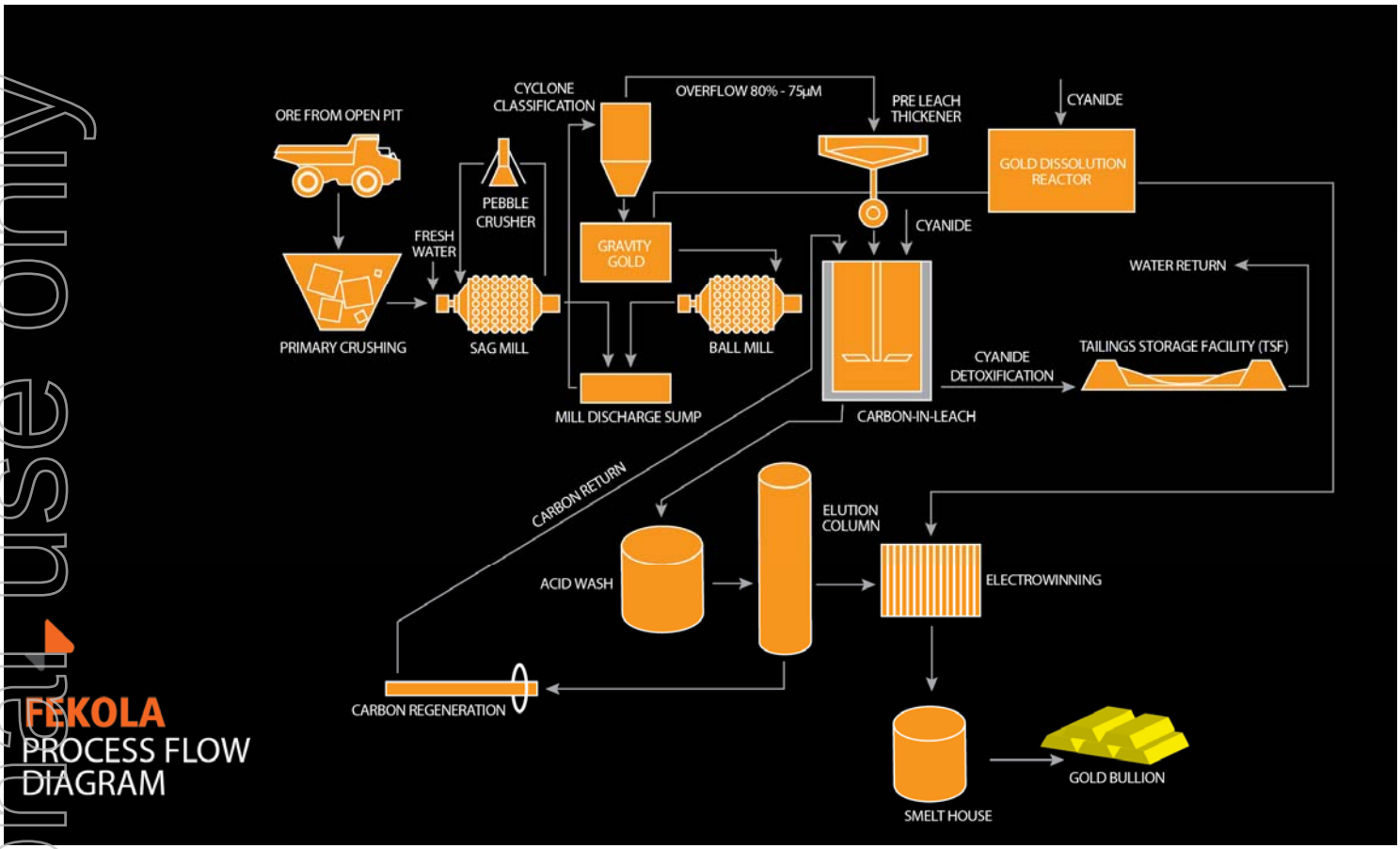

Figure 4: Process Flow Diagram

Run of mine ('ROM') ore will be delivered to a primary crushing circuit before being fed to a grinding circuit comprising an open circuit semi-autogenous grinding ('SAG') mill and a closed circuit ball mill. The discharge from both mills report directly to a common mill discharge sump and is then pumped to a cyclone classification ('Cyclone') circuit.

A portion of the Cyclone underflow is fed to the Gravity Gold Circuit for gold recovery and is then discharged back into the milling circuit, with the cyclone underflow, and reports to the ball mill for further grinding. The mill is operated in closed circuit with a target grind and cyclone overflow of 80% passing 75µm. The Cyclone overflow is fed across a screen to remove any trash and organic waste material. It is then thickened to 45% solids and pumped into the CIL circuit.

The CIL circuit consists of six mild steel tanks arranged in series with pulp flowing via inter-tank carbon screens. The carbon is pumped from each tank in a counter current flow to the slurry. Re-activated carbon is introduced into the last slurry tank and loaded carbon is pumped out of the first slurry tank. The carbon is washed and screened to remove any slurry prior to the acid wash column.

The acid wash column utilises a cold acid wash treatment removing inorganic (carbonated) material from the loaded carbon. Spent acid wash solution is used in the detoxification process.

Acid-washed carbon is then washed with water prior to being fed to an elution column for gold recovery. In the elution column, the carbon is soaked with a strong caustic cyanide solution. The gold is stripped off the carbon using high quality softened water at high temperatures and discharged into the eluate tank.

The eluate solution is then fed to the electrowinning circuit, which consists of four cells operated in parallel. Gold is deposited on cathodes as sludge and the solution is circulated until the desired barren gold concentration is achieved. After completion of an electrowinning batch, barren solution is sampled and pumped to the CIL circuit.

The eluted carbon is then reactivated through a diesel fired kiln before being sent back to the CIL circuit for gold adsorption. Fresh carbon is added to the circuit due to nature breakage on an as need basis.

Material containing gold recovered from the Gravity Gold circuit is pumped into a High Intensity Cyanide Reactor. The gold is dissolved and further processed through its own dedicated electrowinning circuit.

Loaded cathodes are removed periodically from electrowinning, gold sludge is washed off and the washed solution is decanted. The gold sludge is calcined in a multi tray calcining furnace. The purpose of calcining the sludge is to oxidise any base metals, to remove any moisture and burn off combustible impurities.

The calcined sludge is mixed with fluxes and loaded into an induction smelting furnace. The furnace crucible content is poured into cascading moulds from which gold will solidify separately from slag. Resulting gold bullion bars are cleaned, labelled, assayed and prepared for shipping. Slag is crushed and removed as a by-product for further extraction.

Detoxified tailings are then pumped to a tailings dam where solids are deposited and water is returned to the processing plant for further use.

Infrastructure

Power for the main mine site will be provided by heavy fuel oil ('HFO'), medium speed engine, generators, which have the option to be fuelled with either diesel or HFO. Four diesel-only fired generators will be used for the tailings dam and camp power requirements. The total installed power requirements for the Project are estimated at 31 MW, while base load power consumption is estimated to be approximately 22 MW. Power will be generated on site with HFO generators at an estimated cost of US$0.22/KWh per kilowatt hour excluding capital. A total of 45 days fuel storage is currently provided in the design.

Regional road infrastructure has improved significantly since the construction of the multi-lane, tar sealed Millennium Highway. The highway extends from the port city of Dakar in Senegal to Bamako and is a major supply route for the landlocked country of Mali. The highway passes within 45 kilometres of the Project area. The mine road from the Millennium Highway has been surveyed and costed to allow by-pass roads to be constructed around the two main villages on route to the mine.

An airstrip has been designed and costed to allow mine staff to reduce travel time and to be used for transportation of goods, supplies and gold transportation.

Water is available from the Faleme River, a major water course with significant year round water flows, which is in close proximity to the Project (within 2 kilometres). As part of the water investigation, borehole water has been sourced and will form part of the water input into the mine project wide water balance.

Geotechnical survey work has shown there is no issue with ground conditions for a tailings dam wall and process plant foundations. Borrow pit material is readily available in the surrounding area of the mine tenement. A 600 man construction camp with all associated amenities has been designed and costed. This camp will be adapted to accommodate all site staff during operation.

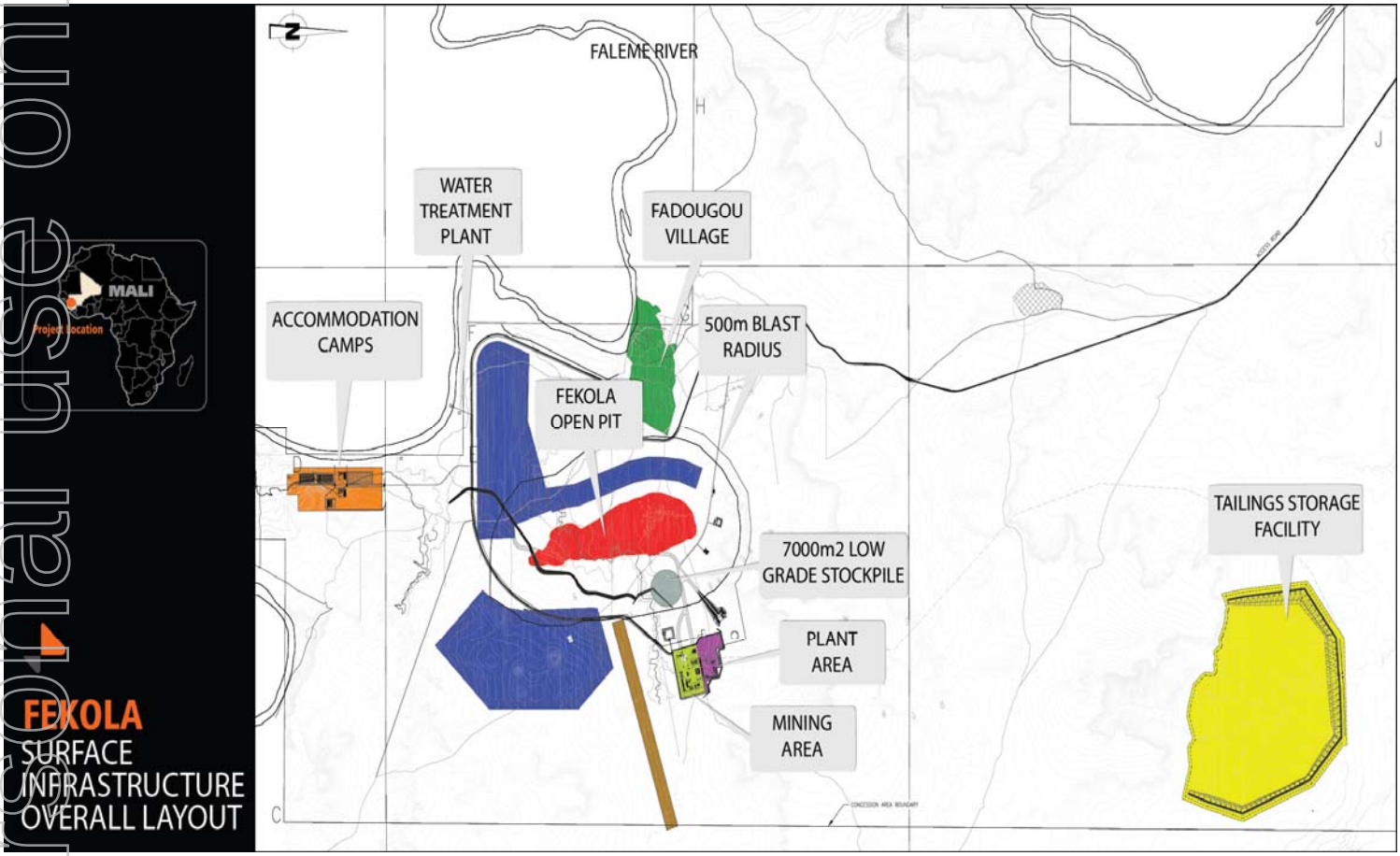

Figure 5: Site Layout

Capital Costs

The capital cost for the mine, process plant and associated infrastructure is estimated at US$254 million. This total cost consists of process plant costs of US$104 million (US$93 million for plant, US$11 million for EPCM), project infrastructure costs of US$129 million (including EPCM costs of US$4 million) and indirect costs of US$21 million to cover spares, first fills and working capital. No allowance has been made for the acquisition of initial mining fleet (included in operating costs), as it is envisaged that this activity will be outsourced to a specialist mining contractor.

A contingency of 15% is applied to the capital estimate to give a total capital of US$292 million. The Capital Budget Estimate ('CBE') was reviewed and benchmarked against similar sized operations by independent consultants, Professional Cost Consultants ('PCC') based in Perth and satisfied the accuracy required for this level of study.

A summary of major capital costs is shown in Table 1 below.

Capital Item	US$ millions
Processing Plant and Mill	93
HFO Power Plant	33
Camp, Mine Services, Offices and Airstrip	35
Access Roads, Pre-Strip and Site Earthworks	20
Tailing Storage Facility, Waste Dumps, Pipelines	23
Indirect Costs, Owners Costs and Working Capital	21
EPCM Cost	15
Other	14
Total CAPEX	**254**
Contingency (15%)	38
Total CAPEX (incl. contingency)	**292**

Table 1: Summary of Capital Costs

Operating Costs

The LOM C1 cash operating cost has been estimated at approximately US$580 per ounce of gold. This cost estimate is based on the treatment of approximately four million tonnes of ore per annum, producing approximately 306,000 ounces of gold per annum over the LOM.

The operating costs were estimated in conjunction with the PFS process design criteria, block flow diagram, mechanical equipment lists, metallurgical test work results to determine reagent consumption, in-country labour rates and reagent and fuel supply prices. Operating costs are defined as the direct operating costs including contract mining, processing, tailings storage, water treatment and general administration.

All-in-sustaining cash costs uses the C1 cash operating cost as a base and adds cash royalties of 6% of the value of gold sold, which at flat US$1,300 per ounce equates to US$78 per ounce of gold produced, ongoing Fekola exploration costs of US$10 million per annum, ongoing corporate head office costs associated with the Project of US$4.5 million per annum, and approximately US$19 per ounce for sustaining capital and ongoing rehabilitation costs.

Key operating cost data is summarised in Table 2 below.

Operating Cost Item	US$/oz
Mining	312
Processing	238
G&A	30
Total C1 Cash Operating Cost	**580**
Royalties	78
Exploration	33
Corporate G&A	15
Sustaining Capital	19
All-in-Sustaining Cash Cost	**725**

Table 2: Summary of LOM Operating Costs

Exploration Upside

The current MRE and PFS represent a solid base case for Papillon as it moves towards its objective of becoming a gold producer in the near term. The Company believes that substantial potential exists to grow the resource base and, therefore, extend the mine life at Fekola.

Recent results from the 2013 drilling campaign have successfully identified the continuation of the flat plunging high grade shoot at depth and, importantly, just outside of the current pit designs. There is significant potential to discovery further high grade ounces which could extend mine life and increase production substantially. Figures 6 and 7 show the location of the continuation of the high grade shoot relative to the current MRE and the current planned pit designs.

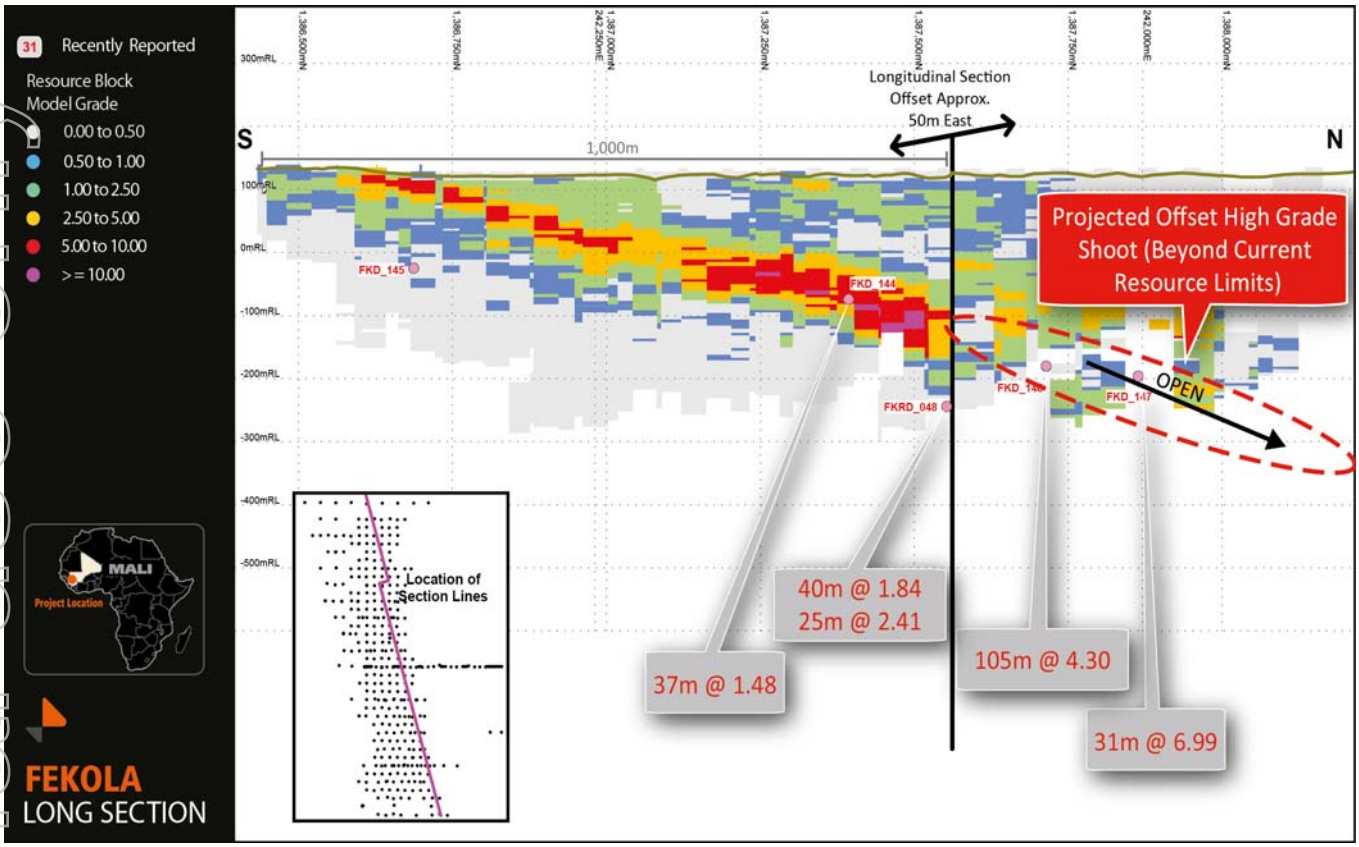

Figure 6: Long Section showing continuation of offset high grade shoot relative to resource

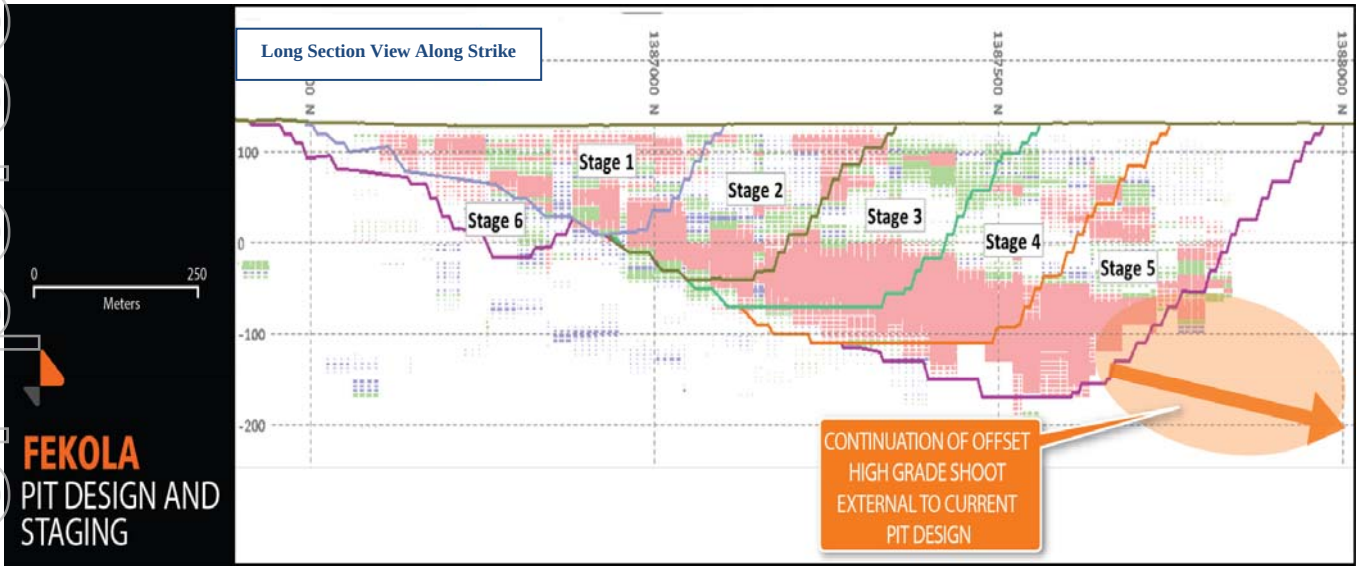

Figure 7: Long section showing continuation of offset high grade shoot relative to resource

Further infill and extension/exploration drilling programs are planned with the objectives of upgrading the resource classification and increasing the overall mineral resource inventory for the Project. This has the potential to further enhance the economics of the Project by allowing increased production and a longer mine life to be considered.

In addition, the Company will test the amenability of the low grade ore and classified mineralised waste to heap leaching. If successful, this would provide the opportunity to potentially increase the production profile and/or extend the mine life, further enhancing the Project economics.

Tailings Storage Facilities, Waste Rock Dumps and Return Water Dams

The optimal design and locations of the Tailings Storage Facility ('TSF'), Waste Rock Dumps and Return and Storm Water Dams were evaluated by Epoch Resources Ltd ('Epoch').

The capacity of the unlined tailings dam is currently designed for 47 million tonnes over the LOM but has the design capacity to accommodate further expansion. The design of the TSF is a common Valley design with a conventional Barge water recovery process on the dam. The design and location of the TSF has taken into account a number of factors including:

- Allowing for maximum scalability to account for potential increased production and/or mine life;
- Maximising the distance to villages and the Faleme River and thus, its potential impact on them;
- Minimisation of requirements for storm water control;
- Ensuring correct geotechnical ground conditions;
- Minimising for impact of environmentally sensitive surveyed areas; and
- Ensuring no congruence of the TSF with the highly prospective Fekola Corridor.

The capital costs associated with the unlined TSF have been estimated based on recently tendered West African construction rates for projects undertaken by Epoch in recent times. The tailings dam is developed by the upstream self-raising raise method above the 18 metre embankment starter wall at an average rate of rise of 1.8 metres per annum.

Community and Employment

Papillon has worked closely with all stakeholders, including local communities and relevant government authorities, in all aspects of work conducted on the Project to date. As part of the detailed Environmental and Social Impact Assessment ('ESIA'), the Company has engaged community consultation and dialogue, to ensure that sustainability of industry is developed. Recent community developments include the reappropriation and compensation of imposed land claims on the mine site with the community. In addition, the Company is continuing its focus on increasing its investment into the local community in terms of vocational training, skills, education and other community initiatives.

The Project area is sparsely populated, with a few small villages inhabited primarily by subsistence farmers. The closest village is located approximately one kilometre from the boundary of the anticipated open pit. As the regulatory requirements call for a minimum buffer of 500 metres from the edge of the open pit to the nearest dwelling, it is currently assumed that no relocation of the village will be required. The Company plans to conduct further detailed risk assessments to ensure all risks associated with blasting and vibrations from mining activities are sufficiently mitigated.

The Company currently estimates an ongoing workforce of approximately 450 skilled and semi-skilled, local and expatriate workforce, between the mine and a Head office support will be required to operate the mine. Employees will be largely sourced from the local community and elsewhere within Mali, which as a country has over twenty years of mining experience, in combination with a small number of highly skilled expatriates.

Permitting

Papillon has been granted the Environmental Permit by the Malian Government following the company's submission of its ESIA (refer to the ASX Announcement dated 9 May 2013).

The granting of the Environmental Permit is a milestone for the Company and follows a significant amount of work conducted by Papillon over the last 18 months, including baseline environmental and social studies and culminating with the submission of an ESIA.

The ESIA, which was managed by specialist environmental consultants Epoch of South Africa and Environment & Social Development Company ('ESDCO') of Mali, included environmental monitoring programs, field surveys to understand flora and fauna of the Project, ecosystem sensitivity assessments, a detailed community engagement plan, socio-economic surveys and a review of the livelihood restoration requirements for communities directly affected.

Numerous stakeholder meeting and workshops were undertaken as part of the ESIA, at local, regional and national levels, in line with Papillon's strong corporate focus on the environmental and social aspects of the Project. The results of this stakeholder engagement process were extremely positive, highlighting the strong levels of community and Government support for the Project.

Papillon currently holds an Exploration Permit (Permis De Recherche) for the Medinandi tenement, which hosts the Fekola Project. The completion of the PFS allows the Company to commence the application process for a Mining Permit (Permis d'Exploitation) to cover the Project area, which is expected to be lodged in the coming months. A granted Mining Permit is valid for up to 30 years and is renewable for a further 30 years if required.

Additional permitting to cover areas such as roads, power, water and aggregate, is currently progressing as part of the Company's in-country execution plan.

Definitive Feasibility Study ('DFS')

The Company will now undertake a review process prior to the award of the DFS. Opportunities to further enhance the Project economics through capital and operating cost reductions identified during the review phase will be incorporated into the final scope of the DFS, which will address the following broad areas:

- Finalisation of geo-hydrology and geotechical drilling for pit design and optimisation;
- Further detailed comminution test work to optimise the milling circuit and power requirements of the circuit; and
- Undertaking an evaluation of the various alternatives for funding the development of the Project.

Study Consultants

The PFS has been managed by Papillon with segments completed by engineering consultants.

The Company also engaged industry recognised specialist consultants covering each of the key disciplines as integral members of the study team.

Consultant	Activity
DRA Mineral Projects	Process Plant, Power Supply, Infrastructure, Capital and Process Operating Cost Estimates
MPR Geological Consultants	Geology, Mineral Resource Estimation
Open House Management Solutions (OHMS)	Mining Geotechnical Study
Amdel Laboratories	Metallurgical Test work
JK Tech	Comminution Test work
Epoch Resources	Environmental, Tailings Storage Facility, Hydrogeology, ESIA , Closure
Norton Rose Fulbright	Legal
Professional Cost Consultants (PCC)	Capital estimate independent review
Oreway Minerals Consultants (OMC)	Crushing and milling audit
Outotec	Thickening test work
Rheochem	Rheology test work
Golders Associates	Tailings dam material test work
Inroads Consulting	Geo Technical construction
Optimium Capital	Financial model audit
CSA Global	Resource review

Table 3: Study Consultants

Competent Persons Statement

The information in this Report that relates to Exploration Results is based on information compiled by Mr Andrew Boyd, who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Boyd 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 ('The JORC Code'). 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 is based on 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 ('The JORC Code'). 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 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, 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 ('The JORC Code'). 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 Statement

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.