



**GRYPHON**  
MINERALS LIMITED

# Quarterly Report

31 March 2015

***Advancing the 3.6Moz Banfora Gold Project<sup>1</sup>***

*Low cost, high grade heap leach start-up operation*

*Easily up-sized*

*Exciting exploration pipeline*

*Permitted for construction*

*A\$21m cash and listed investments +*

*US\$60m mandated project debt<sup>4</sup>*



## HIGHLIGHTS

### Banfora Gold Project

- **The Feasibility Study<sup>2</sup> announced in August 2014 confirmed the viability of a conventional 2Mtpa heap leach start-up operation as Gryphon's preferred development option due to the significantly reduced capital expenditure requirement for the Banfora Gold Project. The project team has continued to conduct internal studies to further optimise the heap leach project including:**
  - Updating the feasibility study based on the results of the grade control drilling and updated reduced capital and operating costs. The results of the revised feasibility study are expected to be available by the end of May 2015. The update is progressing well and will further de-risk the development risk of the Banfora Gold Project with grade control level drilling now essentially completed on the first 2-3 years of operation.
  - The Company has completed a review of available used equipment that would be suitable for the Banfora Gold Project, targeting a capital cost reduction without major compromise to the plant availability and throughput. Formal expressions of interest have been submitted to two companies; one that has a full plant available, and another that has mainly agglomeration, staking and conveying equipment.
  - Discussion with suppliers of key consumables, including cement, cyanide and diesel have been finalised and revised supply costs have been received with reductions as high as 10% since the time of the August 2014 Feasibility Study. The revised operating costs based on these new supply costs is being finalised for inclusion in pit optimisations, with final results to be determined and included as part of the feasibility study update.
  - A desktop study underway for a proposed expansion to the proposed 2 million tonne per annum heap leach operation with an additional 1 million tonne per annum CIL circuit. Results are expected in the coming weeks.
- **De-risking the Project ready for mine development continued which included:**
  - The results of the grade control and infill program completed in late 2014 have been received, integrated into the existing drill database and used to update the block models ahead of appropriate resource and reserve modelling, the results of which are expected to be released in early May. The program was designed to increase the confidence of the shallow oxide resources, particularly in the initial years to significantly de-risk the production schedule.
  - The Company continued its pre-construction works which mainly comprised fabrication of panels for the resettlement houses in preparation for the first stage of the resettlement process.
- **Environmental & Social:**
  - Ongoing communication and project development updates continued to be achieved through regular community consultation committee meetings and community focus groups.
  - Preparation of the Environmental, Social Impact Assessment to International Finance Corporation (IFC) standards continued with most of the documents being reviewed by IFC before final formal submission to the IFC, which is expected to be in June 2015.

### Low Cost Exploration

- **Banfora Gold Project**
  - The majority of the exploration work at Banfora focussed on the results from the grade control and infill mine development drilling program. The Company continues to de-risk the Project with the recent completion of mine development drilling in anticipation of completion of debt funding with Macquarie Bank.
  - Geological mapping, soil sampling, auger and rock chip sampling was undertaken on some of the higher priority district prospects including Sud, Hillside, Muddi and Ouahiri South.

- **Regional Burkina Faso: Golden Hill and Gourma Gold Projects - Exploration Pipeline Strategy**
  - Gourma Project
    - New results from initial reconnaissance sampling targeting the +60km mineralized Gourma crustal shear zone that is 100% held within the companies 1,300km<sup>2</sup> Gourma Joint Venture in Eastern Burkina Faso.
    - Multiple high tenor gold surface geochemical anomalies identified through BLEG stream, rock chip, soil and shallow auger sampling, includes:
      - auger drilling up to **27.5 g/t gold** from 4 metres depth.
      - rock chips up to **19.7 g/t gold**.
      - Surface soil geochemical results up to **4.60 g/t gold**.
    - Phase two exploration has commenced that will infill these new targets and further define areas ready for drill testing.
  - Golden Hill Project
    - Infill surface geochemical results anticipated in the coming weeks that will define drill ready targets.
- **Regional West Africa**
  - Mauritania Gold & Regional Copper Projects:
    - Analytical results of rock chips samples collected from the Akjoujt Copper/Gold Project have returned some highly encouraging results up to **60.5 g/t gold** and **8.67 % Cu with 8.36 g/t gold and 2.43 g/t silver** (refer Appendix 1) from massive iron carbonate.
    - At the Saboussiri Copper/Gold project, exploration focussed on pXRF soil sampling at the Diaguili prospect with approximately 1015 samples being collected and analysed with the instrument. The results have highlighted a previously undrilled target with anomalous copper-in-soils to the east of the main mineralised trend.

## Corporate

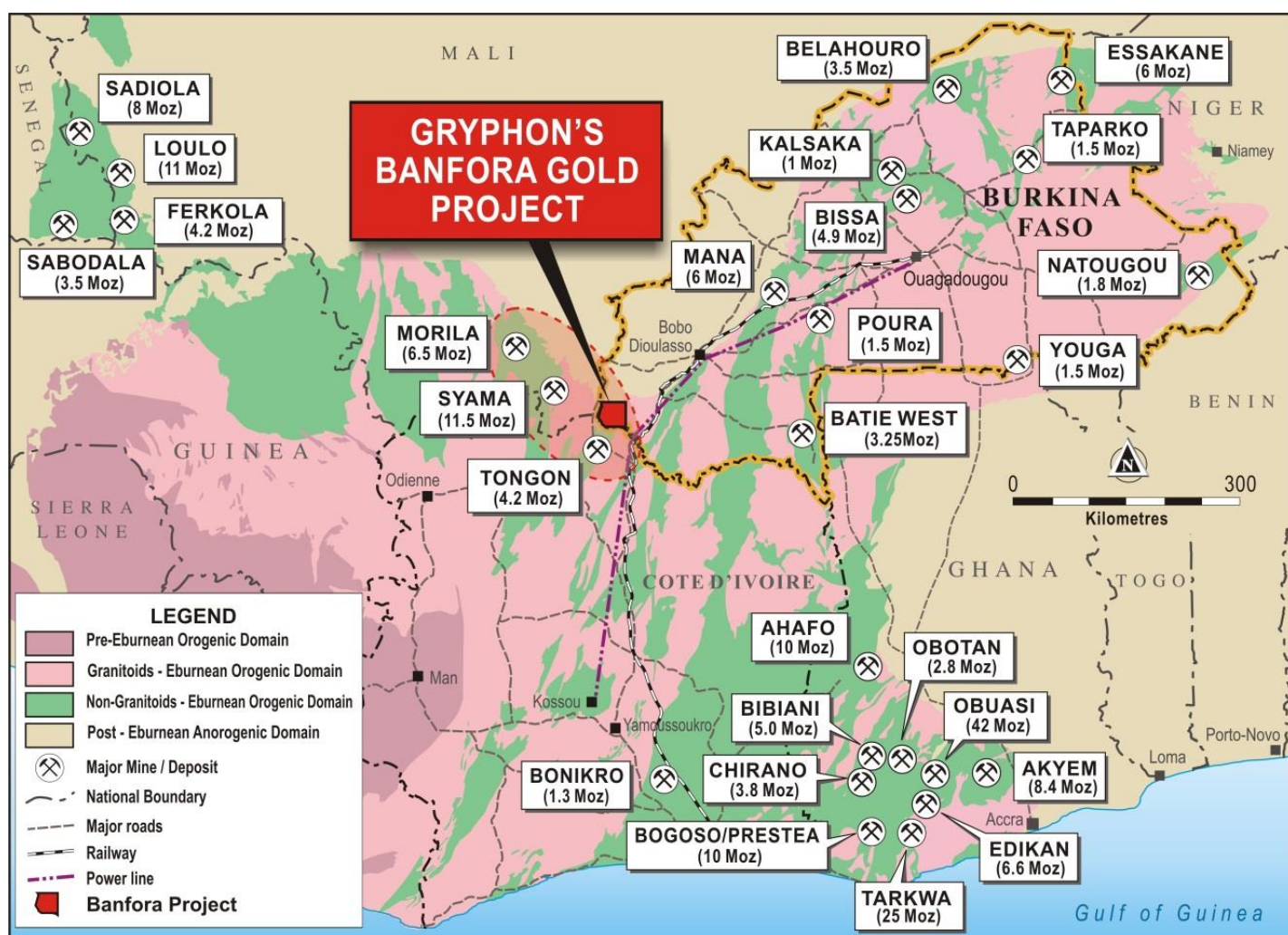
- **Cash and Working Capital**
  - At the end of the quarter Gryphon held approximately \$20 million in cash, plus approximately \$1 million in listed investments.
  - Gryphon continues its commitment to ongoing cost management processes and as a result the Company has significantly reduced its net expenditure from the previous quarter by \$3.2 million. The Company remains focussed on further reducing administration costs with the focus of funds being deployed to low-cost exploration and pre-construction works.
  - The Company remains focused on a '**de-risk, get ready & add value**' strategy, while maintaining its fundamental principle of preserving its strong cash position in difficult market conditions.
- **Project Financing – Mandate for up to US\$60m Senior Debt to develop Banfora<sup>4</sup>**
  - The Company is continuing the due diligence process with Macquarie Bank Limited, who have been mandated to act as sole arranger and underwriter for up to US\$60 million in a senior loan facility, associated hedging and a cost overrun facility for the development of the Banfora Gold Project in Burkina Faso, West Africa.
  - Due diligence by Macquarie focussed on the Company's resources and reserves following the results from the grade control and infill program.
  - The results of the revised feasibility study are expected to be available by the end of May 2015 and will be used to progress the debt mandate with Macquarie Bank for the construction of the Banfora Gold Project.

## Overview of Banfora Gold Project | Burkina Faso

The Banfora Gold Project (Banfora or the Project) is located in the south-west of Burkina Faso, West Africa. Burkina Faso is one of the largest gold producers in Africa and is located on some of the world's most prolific greenstone belts (accounting for 22% of West Africa's greenstone belt exposure). The country is already host to a number of producing mines and this is anticipated to increase given the prospectivity and strong Government support for the mining industry.

The Project includes exploration licenses covering over 1,000 square kilometres and a mining licence that covers 89 square kilometres. These licences are located in a major gold district where world class gold deposits such as Tongon (4.2 Million oz Au), Syama (5 Million oz Au mined & 6.5 Million oz Au in resources) and Morila (6.5 Million oz Au) are also found. The Project has an enviable location being easily accessible by road in close proximity to the regional town of Banfora and the major city of Bobo-Dioulasso. In addition, an existing hydro-power supply source and substation is located less than 100 kilometres to the south of the project site in Côte d'Ivoire, which can potentially be used to power future mining expansion and development.

Figure 1: Banfora Gold Project | Burkina Faso



In August 2014 the Company announced a feasibility study based on a conventional 2Mtpa low cost start-up heap leach operation<sup>2</sup> that demonstrates the potential to generate strong returns in a lower gold price environment and is highly leveraged to any gold price increases.

## **Banfora Gold Project | Operational**

### **Definitive Feasibility Study – 2Mtpa Heap Leach Operation**

The Feasibility Study<sup>2</sup> announced in August 2014 confirmed the viability of a conventional 2Mtpa heap leach start-up operation as Gryphon's preferred development option due to its significantly reduced capital expenditure requirement for the Banfora Gold Project. Subsequent to completion of the study, the project team has continued to conduct internal studies to further optimise the heap leach project, including updating the feasibility study based on the results from the recently completed grade control and infill drilling program, reviewing opportunities for cost savings, investigations into availability of used equipment and improved design features.

#### *Update of Feasibility Study*

The Company is updating the feasibility study based on the results of the grade control drilling and updated capital and operating costs. The results of the revised Feasibility Study are expected to be available by the end of May 2015 and will be used to progress the debt mandate with Macquarie Bank for the construction of the Banfora Gold Project. The update is progressing well to meeting this date and will further de-risk the development risk of the Banfora Gold Project with grade control level drilling now completed on essentially the first 2-3 years of operation.

#### *Used Process Plant Equipment*

The Company has completed a review of available used equipment that would be suitable for the Banfora Gold Project, resulting in a capital cost reduction without major compromise to the plant availability and throughput. Used equipment has the potential to benefit the project economics through reduced capital expenditure and a shorter project development timeline.

Formal expressions of interest have been submitted to two companies; one that has a full plant available, and another that has mainly agglomeration, stacking and conveying equipment. Specific site inspections have been completed to assess the suitability of equipment, and to estimate costs associated with logistics and relocation.

With the site visits finalised, both groups have requested a formal letter of offer be issued to formalise the Company's interest in purchasing the equipment. At the end of the period, the Company was close to finalising technical modelling of the available equipment to ensure it will be viable for processing mineralisation from Banfora and achieve the gold extractions predicted in the August Feasibility Study metallurgical testwork program.

It is therefore anticipated that formal offers for the used equipment can be made by the Company in April 2015.

#### *Circuit Design Optimisation*

With the assistance of Orway Mineral Consultants (OMC), Knight Piésold, Cube Consulting and Lycopodium, Gryphon undertook a critical review of the heap leach plant and mine infrastructure design with a view of reducing up front capital costs. The design work is complete and capital costs will be updated as part of the feasibility study update which will incorporate the recent in-fill drilling results.

Optimisations around the crushing and screening circuit layout have been completed and will benefit the project through improved reliability and operability.

#### *Power Alternatives*

Investigations into utilising alternative power generation to replace the current allowance for diesel generators has been completed. These included solar and heavy fuel oil (HFO). The solar power option requires significantly more capital than diesel or HFO generation options. And with the low power consumption of the heap leach processing plant, a HFO installation will be inefficient and in addition the security of supply of HFO into Burkina Faso is less reliable than diesel.

Therefore, diesel generation remains the base case option for Banfora, especially given the modest power consumption requirements of approximately 1.6MW. The options for used equipment for the project include the power supply equipment.

#### *Capital and Operating Costs*

Discussion with suppliers of key consumables, including cement, cyanide and diesel have been finalised and revised supply costs have been received with reductions as high as 10% compared to the August 2014 Feasibility Study. The revised operating costs based on these new supply costs is being finalised for inclusion in pit optimisations, with final results to be determined and included as part of the feasibility study update at the end of May 2015.

The recent drop in global oil prices may also provide an opportunity to further reduce operating costs, however at this juncture the savings have not been passed onto consumers in Burkina Faso. Gryphon is maintaining close contact with

authorities given there would be a very positive impact on operating costs for the project with a reduction in diesel prices.

In addition to the opportunities in the used equipment markets as a means for capital cost reduction, the Company has conducted dialog with key suppliers, installation contractors and mining contractors to obtain revised costings and rates given the general consensus that the market downturn has reduced availability of project construction works and margins are becoming tighter. This effort had not been finalised at the end of the period, but results will be incorporated into the feasibility study update at the end of May 2015.

## **Pre-Construction Works**

The Company continued its pre-construction works which mainly comprised fabrication of panels for the resettlement houses in preparation for the first stage of the resettlement process. In addition in order to meet the Company's development timetable the company also began the interpretation of the grade control and infill drilling results.

### *Grade Control Drilling*

Late in 2014, the company completed a grade control and infill drilling program which included 13,265m at Nogbele, 5,940m at Fourkoura and 2,651m at Samavogo. The results have been received, integrated into the existing drill database and used to update the block models ahead of appropriate resource and reserve modelling, the results of which are expected to be released in early May. It is expected these results will significantly increase confidence in the shallow Reserves and reduce risks related to grade and continuity.

The program was designed to increase the confidence of the shallow oxide resources particularly in the early mine life to significantly de-risk the early production schedule. The infill drilling at priority Nogbele targets was completed to a grade control standard, which will support mine design for pre-strip and ore movement over the first few years of operation.

### *Engineering*

Engineering work was limited to investigations into and process modelling of the used equipment outlined previously. Mine engineering and design work commenced during the period and will be finalised with an update to pit optimisations and mine schedule to support the feasibility study update at the end of May 2015.

### *Resettlement*

Various panels for the resettlement houses continue to be fabricated by the Company's locally trained staff at a rate of 12 panels poured per week. The production of the toilet, kitchen and bathroom panels has almost been completed that are required for the first more minor stage of the resettlement process, the area where the proposed processing facilities are expected to be built.

In addition, some of the pre-cast structures have utilised certain alternate materials to further improve the design. This will have a positive impact on time and cost when full production of panels commence for the major resettlement village relocations.

**Picture 1: Banfora Gold Project | Locally Fabricated Panels for Resettlement Houses**



## **Environmental & Social Responsibility (ESR)**

The Company continues to maintain ongoing communication and project development updates through Community Consultation Committee (CCC) meetings and community focus, which includes sub-committee meetings.

The first meeting with the new CCC (post the popular uprising) was held in March with the new High Commissioner of Sindou chairing, the new Governor of Banfora, the Banfora region chief of police and the Prefet all present.

The Company signed resettlement site agreements with the communities at Nogbele, which forms part of the resettlement action plan. Fourkoura, Stinger and Samavogo resettlement site agreements will be signed at the next CCC meeting planned in May. All the communities have agreed to these sites at the sub-committee meetings and will be presented for signature at the CCC meeting in May.

In addition the Company actively supported the preparation of the MISADO, a sensitisation program organised by the High Commissioner of the Léraba province with the aim of cleaning the illegal small-scale mining activities from the sites in the Banfora Project region and offered support to organise and actively participated at the Women's Day celebrations at Niankorodougou.

### *Environmental and Social Impact Assessment (ESIA)*

Preparation of the ESIA to the International Finance Corporation (IFC) standards continued with documentation being updated for the environmental management plan, social impact management plan and the resettlement action plan. Most of the documents have been finalised and a final review is being conducted before submission to the IFC which is expected in June 2015; although it is noted that advanced drafts of the documentation have already been submitted, with positive and constructive feedback received on an ongoing basis from IFC's technical experts, who have been very supportive of Gryphon.

## **Banfora Gold Project | Low Cost Exploration**

### **Targeting high grade near-mine mineralisation and generation of new district prospects**

The majority of the exploration work for the quarter at Banfora focussed on the results from the grade control and infill drilling program. The Company continues to de-risk the Project with the recent completion of mine development drilling in anticipation of completion of debt funding with Macquarie Bank. These drill results will be released in the coming weeks.

Low level field work involving geological mapping, soil sampling, auger and rock chip sampling was undertaken on some of the higher priority district prospects including Sud, Hillside, Muddi and Ouahiri South.

Other exploration work focused on sorting and storage of historic drill pulps. In total there are an estimated 350,000 sample pulps on site and over 50,000m of diamond core. Sample pulps from type or key geological cross sections within the gold deposits are being systematically re-analysed using our pXRF with the aim of better understanding the multi-element distribution within the deposits including potential pathfinder elements, seeking a geochemical means to objectively log geology and a better indication of where high concentrations of silver occur within the deposits. This is part of the low cost strategy which could ultimately locate a game-changer deposit within the Banfora region.

## **Burkina Faso Exploration Pipeline | Houndé Belt & Regional Projects**

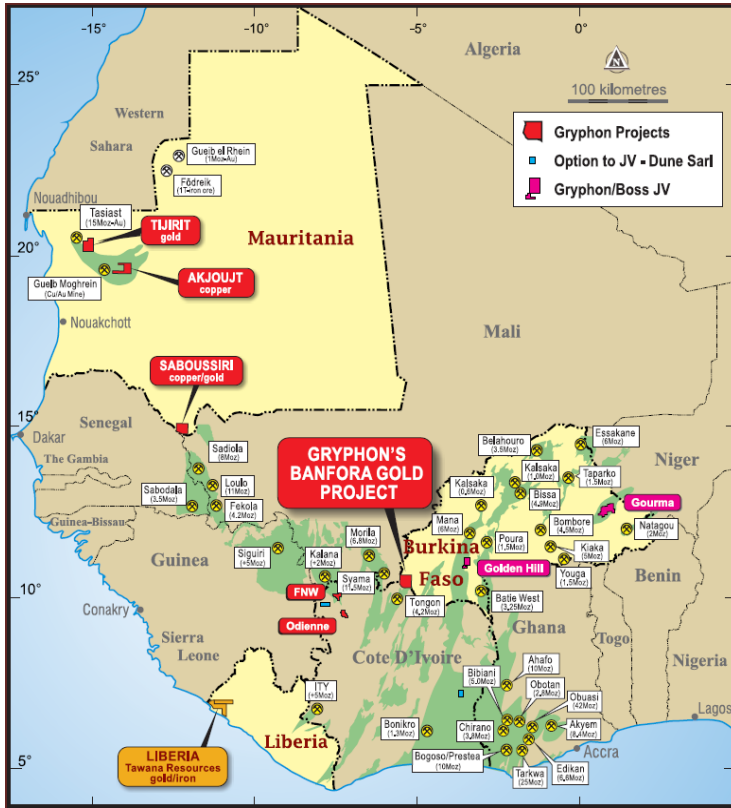
### **Golden Hill, Gourma and Tenkodogo Joint Venture (Earning up to 80%)**

In March 2014, Gryphon and Boss Resources (ASX: BOE) signed a binding heads of agreement to establish a joint venture over the Golden Hill, Gourma and Tenkodogo gold projects located in Burkina Faso, totalling over 1,750 km<sup>2</sup>. Refer to ASX announcement dated 4 July 2014 for full terms of the agreement.

Gryphon Minerals is applying proven low-cost exploration techniques to explore the tenure. A review of past work has been completed, new high resolution satellite imagery acquired and processed in-house and relatively high density (>1 sample per ~6 km<sup>2</sup>) drainage sampling, supplemented by laterite sampling, where appropriate, has been completed across all joint venture projects. This strategy is allowing the company to fast track targeting across the exploration licences. Some highly anomalous multi-point drainage anomalies have been identified on both projects and these are progressively being followed up by soil and first pass auger drilling seeking the mineralised bedrock source. This exploration strategy is designed to direct drilling to those areas most likely to deliver a significant discovery and enable

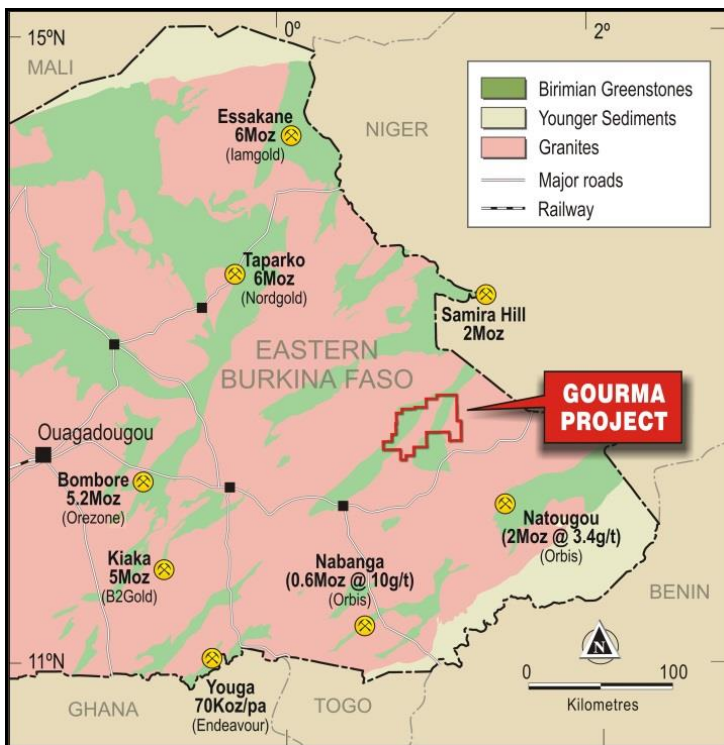
the Company to confidently release ground where appropriate geochemical techniques have been applied and the results are negative.

Figure 2: Gryphon Minerals Project Location Map



## Gourma Gold Project

Figure 3: Gourma Project Location Map



The Gourma Project is located within the Fada N'Gourma Greenstone Belt, 250km east of Ouagadougou and only 80 km south, south west of Niger's largest gold deposit, the 50,000 ounce per annum Samira Hill gold mine (1.9 million ounce



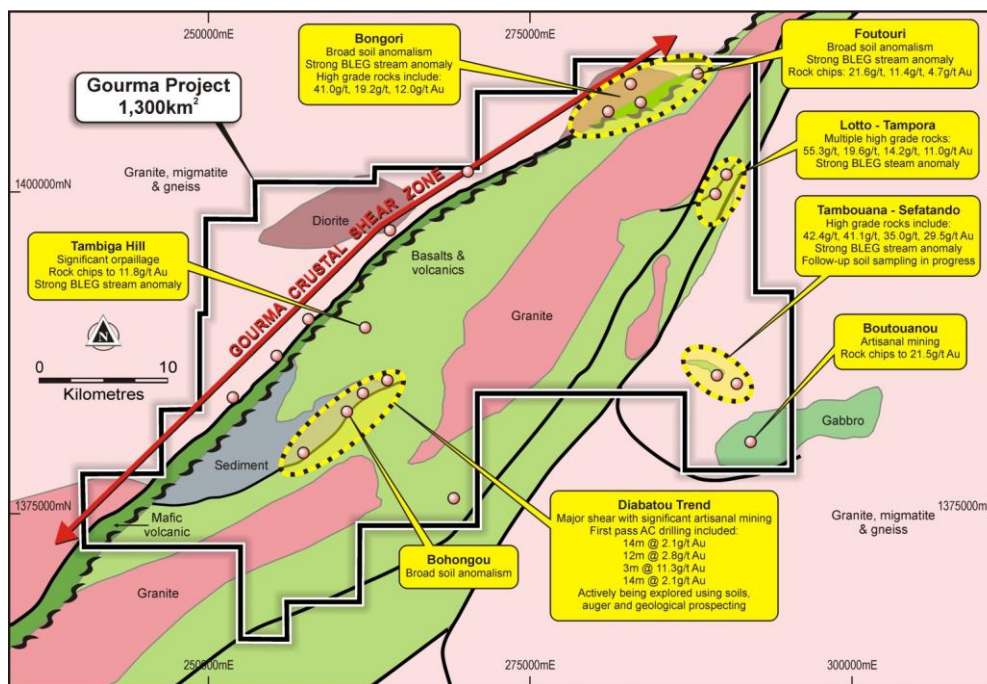
project). The Project consists of four contiguous permits (Diabatou, Tyara, Foutouri and Boutouanou) that cover a total area of 850 km<sup>2</sup>. It is accessible from the south off the Fada N'Gourma-Kantchari highway via a well maintained gravel road and from the west via a gravel road from the town of Gayeri.

Boss Resources were the first modern explorers on the property. Between 2010-2013 they completed a detailed aeromagnetic survey and extensive, mostly broad spaced reconnaissance style geochemical work involving several methods including soil, auger and rock chip sampling.

Work by Gryphon to date includes a regolith terrain and aeromagnetic interpretation, detailed BLEG stream sampling and selective lateritic lag sampling in areas where drainage geochemistry is an unreliable geochemical prospecting method as well as preliminary shallow auger drilling.

Multi-element drainage and laterite sample assays have been received from the four original joint venture permits, with detailed BLEG stream work in progress over the newly acquired Tyabo and Kankandi Tenements (Refer ASX announcement on 28 January 2015)<sup>3</sup>. The BLEG stream and lag results confirm the Gourma shear zone (GSZ) to be associated with some highly anomalous gold-in-drainage results. The stream analysis results also identified areas with very low background commodity and pathfinder element concentrations which are therefore areas where no more work is necessary making the task of reducing tenure, when necessary, something which can be achieved with confidence.

Figure 4: Gourma Project Geology and Prospects Overview



High resolution satellite imagery has been purchased and then processed in-house to deliver project wide clear sharp images in natural colour and infra-red. These cloud free satellite images have been carefully interpreted to map the numerous artisanal gold workings and geological exposures. The workings are progressively being visited by our experienced geological staff.

Observations and samples obtained during these field visits are assisting with geological understanding, including recognition and understanding of the mineralisation styles and associated pathfinder elements, as well as the potential controls to mineralisation. This work will continue throughout the June quarter and will complement the exploration being undertaken. The small efficient exploration team are rapidly working towards generating high quality drill targets across the large land package.

There are many gold prospects that are currently being geologically reviewed and geochemically sampled by the company. For example at the Diabatou prospect active hard rock and eluvial workings cover an area of 1,600 x 400 metres while at the nearby Gariaga Prospect artisanal workings cover an area of 1,300 x 800 metres. The Tambiga Hill prospect contains over 1,000 artisanal pits, with some shafts up to 60 metres deep within an area 500 x 250 metres with associated eluvial gold workings extending a further 400m.

Picture 2: Extensive Saprolite and Eluvial Gold Workings at Diabatou Pospect (left) and Tambiga Hill (Right)



### *Gourma Shear Zone*

With the addition of the Tyabo and Kankandi Permits the Gourma Project now includes approximately 60km of a gold bearing crustal shear which has received very little modern exploration. Along the shear there are numerous artisanal workings. Geochemical sampling by Boss utilised both soil and auger geochemistry, identifying a number of prospects which received various levels of follow-up but no substantial drilling. The Bongori South prospect returned historic rock chips to 41.0g/t, 19.2 g/t and 12.0g/t gold. 12km to the east the Foutori Prospect returned peak rock chip results of 21.6 g/t, 11.4 g/t and 4.7 g/t gold.

Gryphon's work has confirmed both prospects as being a zone of interest and a program of soil sampling has recently been completed with an isolated best result of 4.6 g/t gold-in-soil 400m along strike of a 600m long soil anomaly to peak 881ppb Au within a broader +50ppb anomaly (Refer to ASX Announcement on 17 February 2015)<sup>3</sup>. An infill program of soils is underway to better define the anomaly ahead of possible shallow auger drilling.

New high resolution satellite imagery acquired over the Tyabo and Kankandi permits has identified numerous artisanal workings along the GSZ. Geological prospecting of these has begun. Once the results of the BLEG drainage geochemistry program over these permits has been received then additional work will be prioritised along this trend.

### *Gariaga-Diabatou Trend – Multiple Targets*

The Gariaga-Diabatou mineralised trend extends southwest onto the recently acquired Tyabo permit. This is currently the focus of Gryphon's field work. There are numerous bedrock and eluvial gold workings along the trend, extending over a strike length exceeding 10km. Mineralisation on the trend is interpreted to be on the eastern flank of an antiform which represents a bounding shear zone. Quartz tourmaline veins are more common close to the interpreted contact.

First pass drilling by Boss in 2012 returned best aircore results of **3m @ 11.3g/t gold** and **14m @ 2.1g/t gold** from Gariaga, and **14m @ 2.1g/t gold** and **12m @ 2.8 g/t gold** from the Diabatou Prospects. The aircore drilling at Diabatou remained in saprolite to an end of hole depth of 80m (Refer to ASX:BOE Announcements on 4 December 2012 and 30 January 2013).

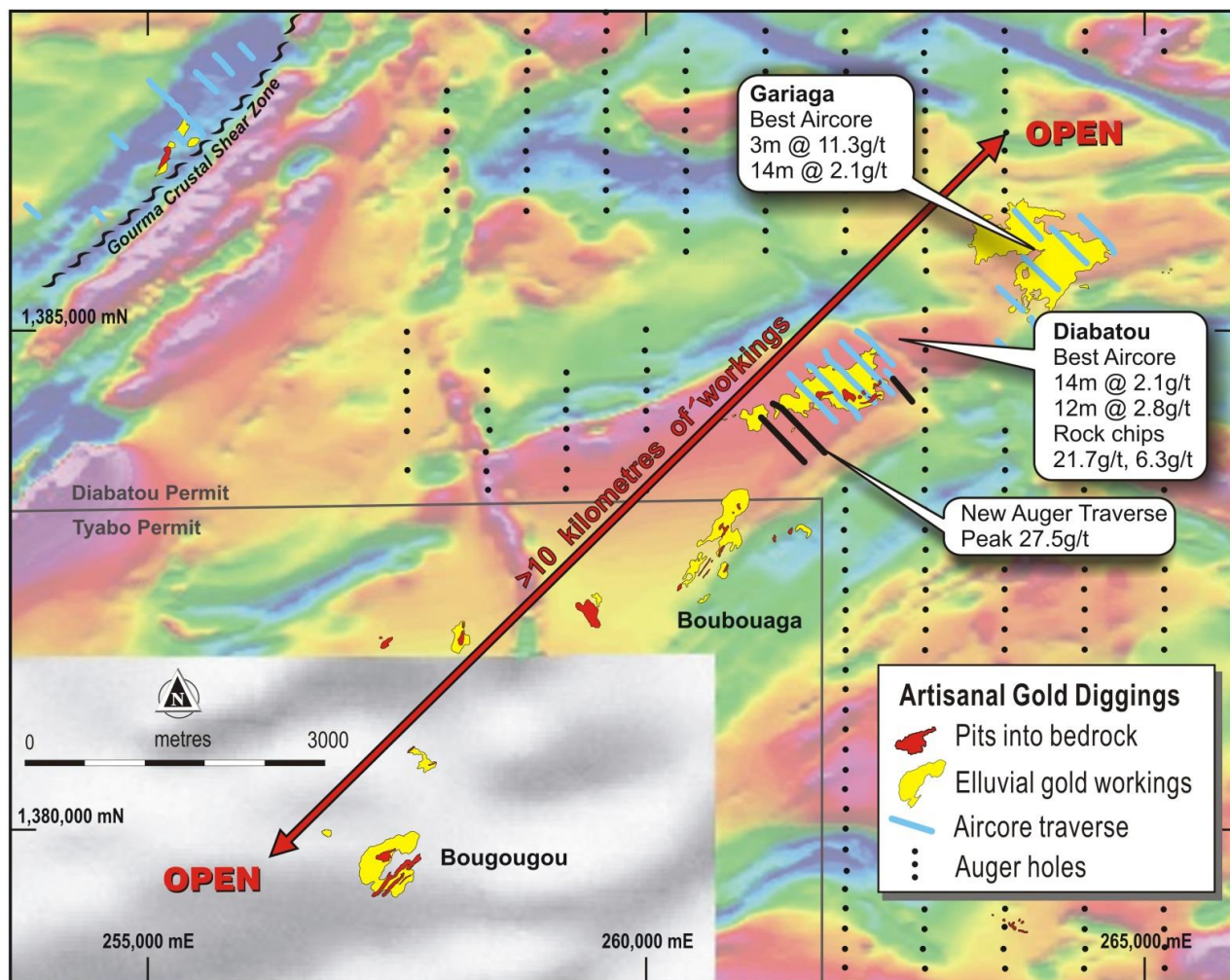
Gariaga is hosted in mafic schist and extends to the southwest beyond a contact with metasediments. Common to both prospects is mineralisation associated with quartz tourmaline veins. The metasediments comprise foliated volcanic sandstone and phyllite, carbonaceous shale and deeply weathered feldspathic semi-schist with lesser amounts of feldspar porphyroblastic schist. There is a quartz rich sandstone (quartz arenite) containing conglomeratic bands in the south west portion of the trend. Mineralisation in all three trends consists of grey, glassy to smokey quartz veins and disseminated mineralisation associated with shearing and silicified zones. This style of mineralisation represents a highly prospective target for hosting broad zones of mineralisation. The disseminated and silicified zones are strongly associated with sericite and pyrite alteration with some malachite and chalcopyrite observed along the trend.

Soil sampling, auger drilling, rock chip sampling and detailed geological mapping has commenced along the 10km mineralised zone. The results of two lines of shallow auger drilling south of Diabatou have been received, with a peak of **27.5g/t gold from 4 – 5 metres depth** (Refer to ASX Announcement on 17 February 2015)<sup>3</sup>. The anomalous hole is 1km along strike from the Boubouga artisanal workings on the recently acquired Tyabo permit, and south of the main workings at Diabatou in an area with no artisanal activity.

A multi-element soil sampling program is underway on the trend straddling the prospective lithologies and geological contact. Preliminary pXRF multi-element data from the Diabatou trend shows broad anomalism associated with the metasediment hosted artisanal mining trend.

Further detailed auger sampling will resume within weeks to provide reconnaissance subsurface sampling of bedrock beneath any anomalous soils and the eluvial gold workings to define and prioritise robust mineralised bedrock drilling targets.

Figure 5: Gariaga – Diabatou Trend



### *Foutouri, Lotto, Tambouna, Boutounou – Eastern Target Areas*

A number of prospects with high grade surface mineralisation had previously been identified by Boss Resources in the east and south east of the project. In the far south east of the tenement package the Sefatendano and Tanmbouana Prospects are present in north west striking structures within sheared and altered granite and in gabbro respectively. The high grade veins in the gabbro were sampled by Boss returning peak results of 42.4 g/t, 35.6 g/t and 12.2g/t gold. The prospects are associated with strong gold-in-drainage responses. A soil geochemical program has commenced to cover the strike extent and probable source of the multiple drainage anomalies.

Also of significance are the Lotto-Tampora Prospects where Boss returned best rock chips of 55.3 g/t, 19.7 g/t and 14.2 g/t gold from laminated quartz veins. Sampling by Gryphon at Lotto has returned a best rock chip result of **19.7 g/t gold** (Refer to ASX Announcement on 17 February 2015)<sup>3</sup>. The soils responses to date have been weak, but the drainage geochemistry supports a decision to undertake further work in the area.

## Golden Hill Project

The Golden Hill Project is the most advanced of all the projects in the JV agreement area and is considered particularly prospective as it is located within the highly mineralised Houndé Greenstone Belt. This belt hosts the majority of the high grade discovered gold ounces in Burkina Faso, including Semafo's (TSX, OMF: SMF) recently discovered Siou Deposit (reserves of 769 koz @ 4.94 g/t gold) plus the high grade Yaramoko deposit owned by Roxgold (TSX.V: ROG) (790 koz @ 17.15 g/t gold). The belt also hosts Semafo's Mana Mine (6 Moz) and Endeavour Mining's (TSX: EDV, ASX: EVR) 2Moz 2.0 g/t Houndé deposit (Refer Figure 6). The Golden Hill Project straddles the same structure and stratigraphy that host these high grade deposits.

A number of useful baseline datasets have been collected over the property by Boss Resources and previous explorers, including Orezone Gold Corporation (TSX: ORE), who identified and undertook the initial drill campaigns on some, but not all of the prospects.

Exploration focussed on the Ma West, Nahirindro, Ma, Ma East, Peksou North and Gogoba Prospects, following up on the strong soil anomalies announced in December (Refer to ASX Announcement on 2 December 2014)<sup>3</sup>. New soil results from a small grid between Ma and Ma East have returned peak soil anomalies of **6.4g/t gold**, **2.6g/t gold** and **1.2g/t gold** (refer to ASX Announcement of 17 February 2015)<sup>3</sup>. Further soil and rock chip sampling is in progress supported by field mapping and prospecting. More results will be released as the field season progresses.

Figure 6: Golden Hill Project Location

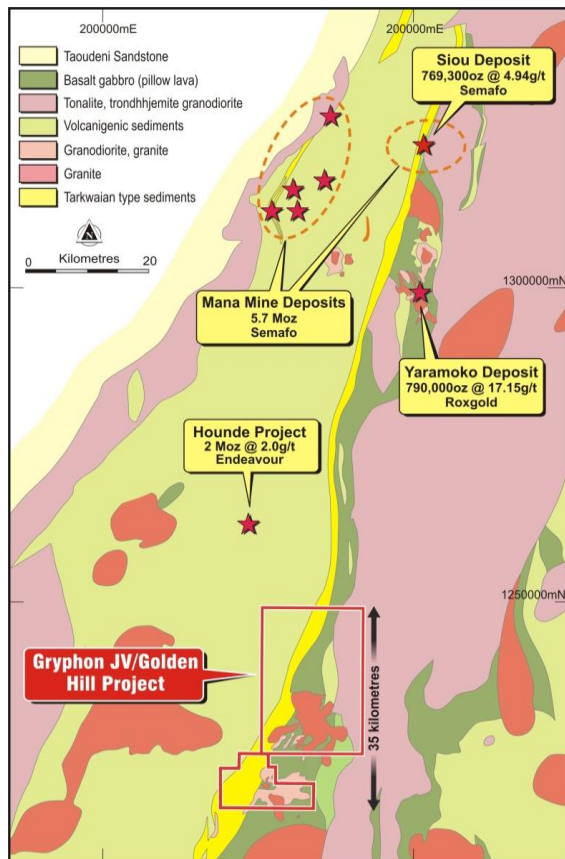
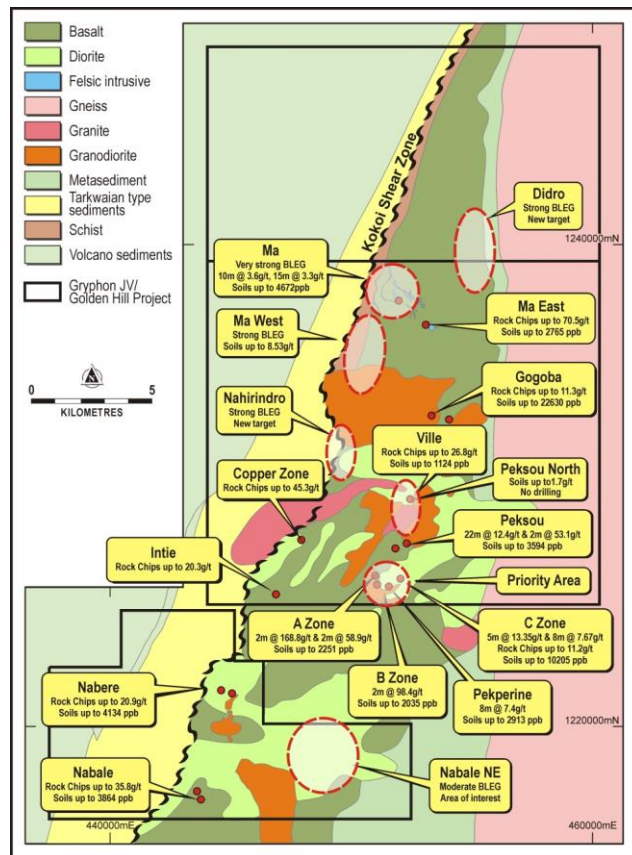


Figure 7: Golden Hill Project (refer to ASX Announcement 2 December 2014)



158 auger holes for 612m were drilled over a two week period during February focused on four areas. The bulk of the drilling took place at Ma West testing bedrock anomalism beneath high tenor historical soil anomalism which had only been partially drill tested by Orezone. The grid covers the western extension of extensive northwest trending orpillage zones. The southern, lower priority, half of this grid was completed during February. Mechanical problems with the auger machine delayed progress this quarter, but the tempo will be pick-up in April with new results due in May.

## Regional Exploration| Other Projects, West Africa

### Mauritania: New Copper and Gold Targets

Following a companywide review of the exploration portfolio, attention has focused on the copper-gold targets in Mauritania leading to data compilations and low cost field work including the use of a portable XRF to take chemical readings of near surface soil and rocks. Historical exploration data has been located, compiled and field checks undertaken seeking to verify the historical reports and assess the upside potential of two notable prospects at Saboussiri and Akjoujt Projects.

### Mauritania, Saboussiri Copper/Gold Project (Gryphon: 60%)

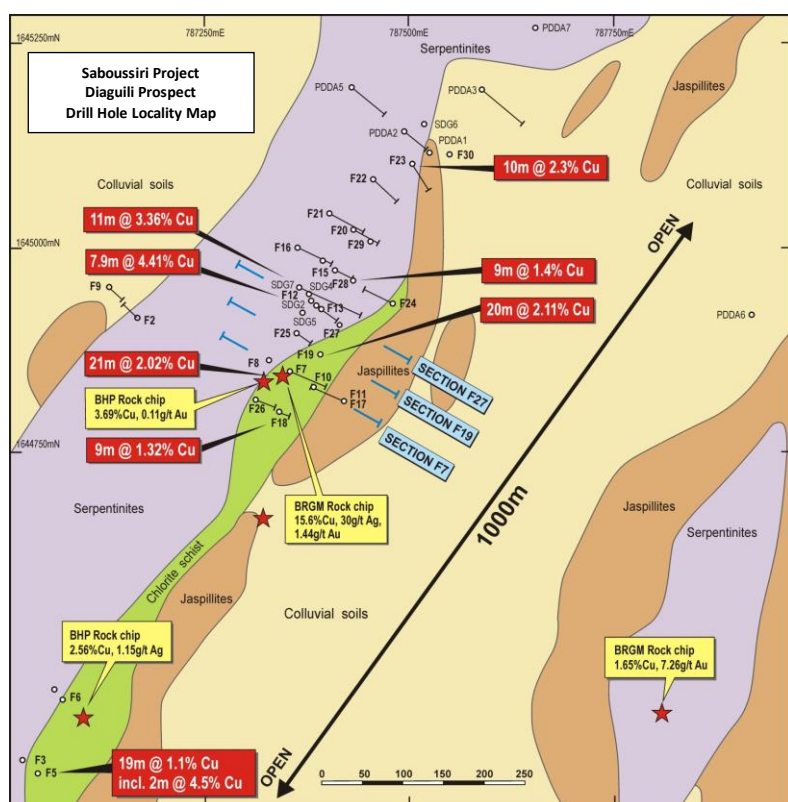
At the Diaguili copper and gold prospect, mineralization is related to the north-east trending sheared jaspilite and sericite-schist which occurs in thrust sheets extending over ultrabasic rocks.

Within the oxide zone, mineralisation consists of malachite, chrysocolla, covellite, chalcocite and rare bornite. Primary zone minerals are chalcopyrite, +bornite +digenite +/-chalcocite +pyrite +hematite +magnetite +pyrrhothite +sphalerite within a silica and carbonate altered schist. The geometry of the mineralisation is thought to be controlled by the last folding event with copper concentrated along the hinge of the axial plane cleavage or fold with mineralisation interpreted to thicken on the hinge and thin along the limbs.

Exploration focussed on pXRF soil sampling at the Diaguili prospect with approximately 1,015 samples being collected and read with the instrument. The results have highlighted a previously undrilled target with anomalous copper-in-soils to the east of the main mineralised trend. This area has previously returned anomalous rock chip samples from chlorite schist.

The chromium and nickel values in the soils over the serpentinites are high. The level of anomalism is still to be determined as these ultramafic rocks are known to have high chromium and nickel contents.

Figure 8: Diaguili Prospect drill hole locations targeting outcropping copper mineralisation



### Mauritania, Akjoujt Copper/Gold Project (Gryphon: 100%)

Work continues to focus around the Tabrenkout and Camel Prospects where a sample collected last year returned values to **20.9% copper, 6.1 g/t gold and 14.1 g/t silver** (refer ASX Announcement dated 5 March 2014)<sup>3</sup> from outcropping iron carbonate. The prospect is located 35 km east of First Quantum's Guelb Moghrein copper gold mine and the

prospect has been subject to drilling and trenching by previous explorers including the BRGM and Normandy La Source in the mid-1990s.

In recent months Gryphon has been undertaking systematic infill surface soil and rock chip sampling to geochemically map the strike extent of the mineralisation using the Company's portable XRF. Soil samples have been collected on an 80x40m grid (locally closed down to 80m x 20m grid) over 5 km of strike. This sampling is on-going and will be used to prioritise potential drill targets. A suite of rock chip samples have been collected from newly identified zones with visible signs of copper mineralisation away from previous trenching or drilling.

Analytical results of rock chips samples collected in recent months, as part of the pXRF soil sampling at Tabrinkoult and the Camel Prospect (located ~15km east fo Tabrinkoult) have returned some highly encouraging results up to **60.5 g/t gold** and **8.67 % Cu with 8.36 g/t gold and 2.43 g/t silver** (refer Appendix 2) from massive iron carbonate.

**Table 2: Recent rock chip results from Akjoult projects**

SampleID	Sample Type	Lithology	Easting	Northing	Prospect	Cu (%)	Ag (g/t)	Au (g/t)
B046358	Rock chip	Fe Carb	597536	2180495	Tabrinkout	<b>8.67</b>	2.43	<b>8.36</b>
B046359	Rock chip	Fe Carb	597337	2179855	Tabrinkout	<b>7.44</b>	2.34	<b>9.19</b>
B046360	Rock chip	Qtz vein	597290	2179767	Tabrinkout	<b>1.16</b>	2.83	<b>60.50</b>
B046361	Rock chip	Qtz vein	597554	2179640	Tabrinkout		3.75	<b>6.42</b>
B046373	Rock chip	Qtz vein	609675	2180083	Camel	<b>2.84</b>	<b>20.9</b>	<b>0.638</b>
B046374	Rock chip	Qtz vein	609759	2180080	Camel	<b>4.16</b>	7.22	0.091
B046376	Rock chip	Qtz vein	609803	2180050	Camel	<b>4.68</b>	43	0.071

The Company has returned to Akjoult to complete some additional pXRF soils over the Camel and Tabrinkoult prospects, looking to extend the known zones of mineralisation to the north and south and SE respectively.

## **Mauritania, Tijirit Gold Project (100%)**

Gryphon's exploration work has identified multiple high priority gold targets with similar host lithology, alteration and structural settings to the nearby world class 15 million ounce Tasiast Gold Mine operated by Kinross Gold Corporation.

Field work has been limited to the collection and analysis of 1,386 pXRF soil samples at the Eleanor prospect following up on a desk top study which identified arsenic values (>1,000ppm) recorded by portable XRF within gold mineralised drill pulps from the main Eleanor prospect. The Eleanor Prospect has returned the broadest high grade drill intercepts on the property including 6m @ 17.63 g/t gold from 10m and 1m @ 17.70 g/t from 14m and trenches along strike at Eleanor that include 8m @ 4.19 g/t gold in T9A, 6m @ 7.35 g/t gold in T62, 2m @ 9.85 g/t gold in T40A - 2m @ 10.10 g/t gold in T64 (Refer ASX Announcement 5 August 2013)<sup>3</sup>. The results of this survey were generally disappointing for arsenic, with low values obtained even in close proximity to mineralised trenches, however the multi-element data obtained provided clearer lithological discrimination and with it the means to trace a key geological contact both north and south of historical drill intercepts.

Mauritania is a major province for gold, copper and iron ore and has significant operating mines including Guelb Moghrein (First Quantum Minerals) and Tasiast. The Tijirit Gold Project is located in North-west Mauritania and covers approximately 1,400 square kilometres of contiguous exploration licenses.

## **Côte d'Ivoire – Odiene and FNW (Gryphon: 100%)**

Gryphon has completed first pass geochemical screening of the projects through the collection and analysis of 198 BLEG streams and multi-element data at a target density of 1 per 5 km<sup>2</sup> across 800 km<sup>2</sup> of tenure. The Odiene permit straddles the Sassandra Fault close to the margin of the Birimian and Man Shields with a mix of granite and greenstone lithologies which continue up into southern Mali. The results from the Odiene Permit show that no further work is necessary and the project will be relinquished. The FNW Permit contains low level gold in drainage anomalism and some low cost follow-up is being considered.

## **Côte d'Ivoire – Samatiguila (0%, Gryphon earning in up to 80%)**

The Company has entered into an option to joint venture three permits in Côte d'Ivoire with a local company. Two permits have been granted and these have been comprehensively sampled using a BLEG stream technique across 800 km<sup>2</sup> of tenure. Following receipt of the results the company exercised its right to extend the option for a further three months while it completes some additional field checks ahead of any decision to enter into the joint venture.

## **Liberia (Tawana Resources NL | Gryphon Minerals owns approximately 9%)**

Tawana Resources NL (ASX: TAW) is currently exploring the Mofe Creek Iron Ore Project located 10 kilometres from the historic Bomi Hills Mine (+50Mt high grade DSO magnetite), only 25 kilometres from the coast and adjacent to a heavy haul railway and port in Liberia.

In July, Tawana released the results of a scoping study on the Mofe Creek Iron Ore Project (refer to TAW ASX announcement dated 3 July 2014). The results demonstrated the potential for a low capex, high margin operation with a strong net present value (US\$435M at an 8% discount rate) and internal rate of return of 55.8%.

On the back of the scoping study results Tawana has commenced a Pre-Feasibility and Environmental studies on Mofe Creek.

## **Corporate**

### **Cash and Working Capital**

At the end of the quarter, Gryphon held approximately \$20 million in cash, plus approximately \$1 million in listed investments. The majority of the costs for the quarter were as follows:

- Exploration and pre-construction costs of \$2.8 million which mainly comprised of residual assay payments for the grade control and infill drilling program, further optimisation studies on the 2Mtpa heap leach project at Banfora, environmental and social responsibility studies, Banfora resettlement planning and panel fabrication costs, Houndé exploration, Nianka camp running costs, Banfora artisanal miner management costs, salaries and wages.
- Administration costs of \$0.7 million which mainly comprises salaries and wages, rent, travel and insurance payments.
- Offset by \$0.2m of interest received.

Gryphon continues its commitment to ongoing cost management processes and as a result the Company has significantly reduced its net expenditure from the last quarter by \$3.2 million. The Company remains focussed on further reducing administration costs with the focus of funds being deployed to low-cost exploration and pre-construction costs.

The Company remains focused on a '**de-risk, get ready & add value**' strategy, while maintaining its fundamental principle of preserving its strong cash position in difficult market conditions.

### **Financing - Mandate for up to US\$60m Senior Debt to develop Banfora Gold Project<sup>4</sup>**

The Company is continuing the due diligence process with Macquarie Bank Limited (Macquarie), who have been mandated to act as sole arranger and underwriter for up to US\$60 million in a senior loan facility, associated hedging and a cost overrun facility (Project Loan Facilities) for the development of the Banfora Gold Project in Burkina Faso, West Africa.

Due diligence by MBL focussed on the Company's resources and reserves following the results from the grade control and infill program. These results have been integrated into the existing drill database and used to update the block model ahead of appropriate resource and reserve modelling, the next stage of due diligence will commence.

In addition, the results of the revised feasibility study are expected to be available by the end of May 2015 and will also be used to progress the debt mandate with Macquarie Bank for the construction of the Banfora Gold Project.

For further information in relation to the group's activities please visit our website [www.gryphonminerals.com.au](http://www.gryphonminerals.com.au).

## Notes

- <sup>1</sup> For more information on the 3.6Moz Resource estimate, refer to ASX announcement dated 4 February 2014. Gryphon Minerals is not aware of any new information or data that materially effects the information included in the said announcement.
- <sup>2</sup> Refer to the Feasibility Study ASX announcement dated 4 August 2014. Gryphon Minerals confirms that all material assumptions underpinning the production target, or forecast financial information derived from such production targets, in this announcement continue to apply and have not materially changed.
- <sup>3</sup> For full details of exploration results refer to ASX announcement. Gryphon Minerals is not aware of any new information or data that materially affects the information included in the said announcement.
- <sup>4</sup> Availability of the Project Loan Facilities is subject to due diligence, credit approval, entering into documentation and satisfaction of conditions precedent.
- <sup>5</sup> Refer Appendix 2.

## Competent Persons Statement

The information in this report that relates to the Exploration Results at the Company's Banfora Gold Project, Burkina Faso and the Akjoujt project, Mauritania, is based on and fairly represents information which has been compiled by Mr Sam Brooks who is a member of the Australian Institute of Geoscientists. Mr Brooks has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brooks is a full time employee of Gryphon Minerals and has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears. This information was prepared and first disclosed under 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 Mineral Resources at the Nogbele and Fourkoura Deposits, Burkina Faso is based on information compiled by Mr Sam Brooks who is a member of the Australian Institute of Geoscientists. Mr Brooks has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brooks is a full time employee of Gryphon Minerals and has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears.

The information in this report that relates to the Mineral Resources at the Stinger and Samavogo Deposits, Burkina Faso is based on information compiled by Mr Dmitry Pertel who is a member of the Australian Institute of Geoscientists. Mr Pertel has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pertel is a full time employee of CSA Global Pty Ltd and has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears. This information was prepared and first disclosed under 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.

## Forward-Looking Statements

This announcement may contain "forward-looking statements". Forward-looking statements are based on assumptions regarding Gryphon's expected activities, events and/or strategic plans. Statements which are not based on historic or current facts may be forward-looking statements.

Forward-looking statements are based on current views, expectations and beliefs as at the dates they are expressed and which are subject to various risks and uncertainties. Actual results or performance could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained in this presentation are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, some of which are beyond the control of Gryphon, which may cause the actual future activities, events or strategic plans to deliver results materially different from those expressed or implied by the forward-looking statements.

Gryphon disclaims any responsibility for the accuracy or completeness of any forward-looking statement. Gryphon disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Gryphon's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. Investors must not place undue reliance on these forward-looking statements.



## Appendix 1 | Gryphon Minerals Tenements

### Mining Tenements held

Project	Tenement	Location
<b>Banfora</b>	No.2014-65PRES/PM/MME/MEF/MEDD	Burkina Faso
	Nogbele	Burkina Faso
	Nianka	Burkina Faso
	Dierisso	Burkina Faso
	Nianka Nord	Burkina Faso
	Zeguedougou	Burkina Faso
	Nogbele Sud	Burkina Faso
<b>Gourma Project</b>	Boutouanou	Burkina Faso
	Diabatou	Burkina Faso
	Tyara	Burkina Faso
	Foutouri	Burkina Faso
	Tyabo	Burkina Faso
	Kankandi	Burkina Faso
<b>Golden Hill Project</b>	Baniri	Burkina Faso
	Intiedougou	Burkina Faso
	Mougue	Burkina Faso
<b>Saboussiri</b>	EL236	Mauritania
	EL879	Mauritania
	EL1074	Mauritania
<b>Tijirit</b>	EL447	Mauritania
	EL1117	Mauritania
<b>Akjoujt</b>	EL448	Mauritania
<b>North-West Côte d'Ivoire</b>	Odienne	Côte d'Ivoire
<b>Dune</b>	Samatiguila	Côte d'Ivoire
<b>Eastern Côte d'Ivoire</b>	Agnibilikrou	Côte d'Ivoire

### Mining Tenements disposed

Nil

### Beneficial percentage interests held in farm-in or farm-out agreements

Nil

### Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed

#### *Acquired*

Nil

#### *Disposed*

Nil

## Appendix 2 | Tables for JORC 2012

### Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> </ul> <p>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</p>	<ul style="list-style-type: none"> <li>Rock samples are grab samples collected by hand by a geologist.</li> <li>Reported exploration results from Akjoujt are from rock chip grab samples from visually mineralized material.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>No new drill results reported.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>No new drill results reported</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Rock chip samples were geologically logged and photographed prior to submission to the laboratory.</li> <li>Logging is qualitative</li> <li>All samples logged</li> </ul>

# Review of the Quarter ending 31 March 2015

Criteria	JORC Code explanation	Commentary
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No core holes reported here</li> <li>• 2 kgs of rock chips undergo fine crushing with 70% &lt;2mm followed by riffle split, then 1000g crushed so that 85% are &lt;75 microns.</li> <li>• No field duplicates collected for rock chip.</li> <li>• Gold analysis involved 30g sample undergoing fire assay with ICP-AES finish to 1ppb detection plus 30g FA with gravity finish. Multi-element sample analysis involved four acid digest for 48 element with assays determined by ICP-MS.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Gold assays were obtained by using a 50g charge for a lead collection fire assay with an AAS finish. This is considered to be total gold estimate. Multi-element data assayed by ICP-AES</li> <li>• Not applicable</li> <li>• Data-certified reference materials, blanks and duplicates are regularly inserted into the sample preparation and analysis process with approximately 10% of all samples being related to quality control</li> <li>• Data is reviewed before being accepted into the database. Any batches failing QAQC analysis resubmitted for check assays. Dataset QAQC contains acceptable levels of precision and accuracy.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No new drill results reported</li> <li>• No new drill results reported.</li> <li>• All sample data is recorded to paper forms at the time of collection. Data is then keypunched into controlled excel templates with validation. The data is then provided to an internal database manager for loading using Datashed.</li> <li>• No adjustment is made to the assay data. Pulps and coarse rejects are returned to the company and cross checked via pXRF readings.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All rock chips are surveyed by handheld GPS. Surveys are accurate to &lt; 5m in horizontal precision.</li> <li>• All Akjout samples are collected to WGS 84 datum UTM Zone 28 N projection.</li> <li>• No topographic control applied to the rock chip samples.</li> </ul>

# Review of the Quarter ending 31 March 2015

Criteria	JORC Code explanation	Commentary
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No new drill results reported</li> <li>• Localised compositing has been applied consistent with industry practice for grab samples, with samples collected from a radius of 5m from the sample location.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples are rock chips from visually mineralized material, sampling method is biased to the detection of mineralization and provides no indication of the potential average grade of the sampled structures.</li> <li>• No new drill results reported.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples are removed from the field immediately upon collection and stored in a secure compound for sub sampling and preparation for lab dispatch. Sample submission forms are sent in paper form with the samples as well as electronically to the laboratory. Reconciliation of samples occurs prior to commencement of sample preparation of dispatches.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All Gryphon Minerals Ltd QA/QC data is reviewed in an ongoing basis and reported in monthly summaries.</li> </ul>

## Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Work has been conducted on the Akjoujt Project, which comprises 1 exploration tenement, Akjoujt (Arrete No. 2010 242 PM/MIM).</li> <li>Gryphon Minerals Ltd is 100% holder of the Exploration Permit.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Akjoujt Project covers units of the Mauritanides belt in north-central Mauritania, composed of metamorphosed volcanic, volcanoclastic and epiclastic supracrustal rocks that have been thrust northwards and eastwards onto Amsaga (Archean) Basement. The gold mineralization is structurally controlled, is linked to NS to NNW shear zones developed in the hanging wall and footwall contacts of the carbonate bodies with the surrounding meta-basaltic unit. Quartz carbonate veins are associated with the mineralization. A pervasive, chlorite-hematite-calcite alteration halo is developed around the carbonate bodies.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>No new drill results reported.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the</li> </ul>	<ul style="list-style-type: none"> <li>Only new rock chip results reported.</li> <li>No metal equivalent reporting is applicable to this announcement</li> </ul>

# Review of the Quarter ending 31 March 2015

Criteria	JORC Code explanation	Commentary
	<p><i>procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>Not applicable to these rock results, and no grade width potentials should be drawn from these results.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>Maps of exploration data accompany this announcement, these are restricted to plan maps. As work completed by Gryphon Minerals progresses and geological and mineralization models are developed and drilling verified, prospect scale details will be released.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li>Rock chips are used to detect for presence or absence of mineralization. Null samples are not considered relevant to reporting.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>No other exploration data that has been collected is considered meaningful to this announcement in the context.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>Infill pXRF soils and rock chip sampling ahead of a decision to complete shallow drilling or trenching to better define the grade width of the mineralisation.</li> <li>To be assessed.</li> </ul>



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