



**GRYPHON**  
MINERALS LIMITED

# Quarterly Report

30 September 2015

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

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

*Robust economics for up-scale CIL add-on project*

*Permitted for construction*

*Strong Financial Position with A\$16m cash and  
listed investments*

*Exciting exploration pipeline*



## HIGHLIGHTS

### Banfora Gold Project

- **An updated Feasibility Study<sup>5</sup> announced in July 2015 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.**
  - Low upfront capital costs of US\$85M.
  - NPV<sub>5%</sub> after tax \$A120M and IRR of 30%.
  - Excellent metallurgy and high grade heap leach of 1.4 g/t gold.
  - The Company is assessing funding options to support construction of the initial 2Mtpa start-up HL operation.
  - The Company continues to pursue available used equipment that would be suitable for the Banfora Gold Project, targeting a further capital cost reduction without major compromise to the plant availability and throughput. Formal expressions of interest have been submitted to a company that has a full plant available in Burkina Faso.
- **Excellent project economics from scoping study<sup>2</sup> of a start-up 2Mtpa heap leach (HL) operation & expansion through the addition of a conventional 1Mtpa carbon-in-leach (CIL) processing plant.**
  - Low additional capital outlay of US\$45M for a 1Mtpa CIL add-on.
  - NPV<sub>5%</sub> after tax A\$210M and IRR of 42%.
  - Doubles production to 133,000oz of gold pa.
  - Excellent metallurgy and CIL head grade of 2.5 g/t gold.
- **Pre-Construction Works**
  - Pre-construction works included the completion of panel fabrication for the walls of all structures associated with the first small village to be relocated from the process plant area. In all this will provide for construction of 22 new houses for the relocated community. Road repair works were carried out on local access roads, and the main route to Fourkoura from Nogbele.
- **Environmental & Social:**
  - Since the 17<sup>th</sup> September disruption to planned elections, the country is now once again being led by the transitional government and new elections have been now set for late-November. During this period there has been no major disruption to Gryphon's operations, and all personnel have remained safe. Gryphon is positive that the democratic presidential elections will proceed smoothly as planned in November 2015.
  - Ongoing communication and project development updates continued to be achieved through regular community consultation committee meetings and community focus groups.
  - Preparation of the ESIA to International Finance Corporation (IFC) standards has been placed on hold given recent events in the country. The management team is considering timing for recommencement which will likely proceed after the presidential elections.

<sup>2</sup> The results are at Scoping Study level. The Scoping Study referred to in this report is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. In discussing 'reasonable prospects for eventual economic extraction' in Clause 20, the Code requires an assessment (albeit preliminary) in respect of all matters likely to influence the prospect of economic extraction including the approximate mining parameters by the Competent Person. While a Scoping Study may provide the basis for that assessment, the Code does not require a Scoping Study to have been completed to report a Mineral Resource. Scoping studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar deposits or operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. Reporting the general results of a Scoping Study needs to be undertaken with care to ensure there is no implication that Ore Reserves have been established or that economic development is assured. In this regard it may be appropriate to indicate the Mineral Resource inputs to the Scoping Study and the processes applied, but it is not appropriate to report the diluted tonnes and grade as if they were Ore Reserves. While initial mining and processing cases may have been developed during a Scoping Study, it must not be used to allow an Ore Reserve to be developed. The Scoping Study is preliminary in nature as its conclusions are drawn on Inferred mineral resources (2%). No mine sequencing was performed. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The stated production target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

## ▪ **Path forward - Moving towards gold production, with the following key milestones delivered:**

- Environmental & Mining Licence granted by the Burkina Faso government.
- Shallow reserve infill and pre-mining grade control drilling complete.
- Studies completed proposing well-established, proven mine and Heap Leach & CIL processing technologies.
- Project debt due diligence progressed and expected to be completed in 2H 2015<sup>4</sup>.

## **Low Cost Exploration**

### ▪ **Banfora Gold Project**

- Desktop activities seeking potential high grade underground targets at Nogbele commenced. This included reprocessing of detailed gravity data collected in 2013. The latest gravity images suggest the presence of several discrete density domains within the Nogbele granitoid, which may be the result of mafic intrusions which provided the thermal input for alteration and mineralisation. Further desktop work will continue in the December quarter, using geophysical, geochemical and previous drill data looking for potential high grade underground mining opportunities to augment the existing open cut Resources and Reserves.

### ▪ **Regional Burkina Faso: Golden Hill and Gourma Gold Projects - Exploration Pipeline Strategy**

- Gourma Project
  - Observations and samples obtained during field visits have assisted 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 December quarter. The exploration team are rapidly working towards generating high quality drill targets across the large land package of 850 km<sup>2</sup>.
- Golden Hill Project
  - Auger results were received in early July including lines drilled at Nahiri Sud from a zone dubbed Jack Hammer Hill for the prominent ridge of auriferous ferricrete that was briefly exploited by orpailleur using pneumatic drills earlier this year. Two short auger lines were drilled 250m apart immediately north of this ridge. The lines indicate a north east striking zone of +100 ppb gold anomalism that is approximately 100m wide with peak values of 1.14g/t Au in GHAU1013 and 0.73g/t Au in GHAU0990 along strike (Refer appendix 2).
  - A geological review of Jack Hammer Hill indicates that the artisanal workings are located at the northern margin of the V7 Granite Stock; the same intrusive that hosts mineralized zones previously targeted by OreZone at A-Zone.

## **Corporate**

### ▪ **Cash and Working Capital**

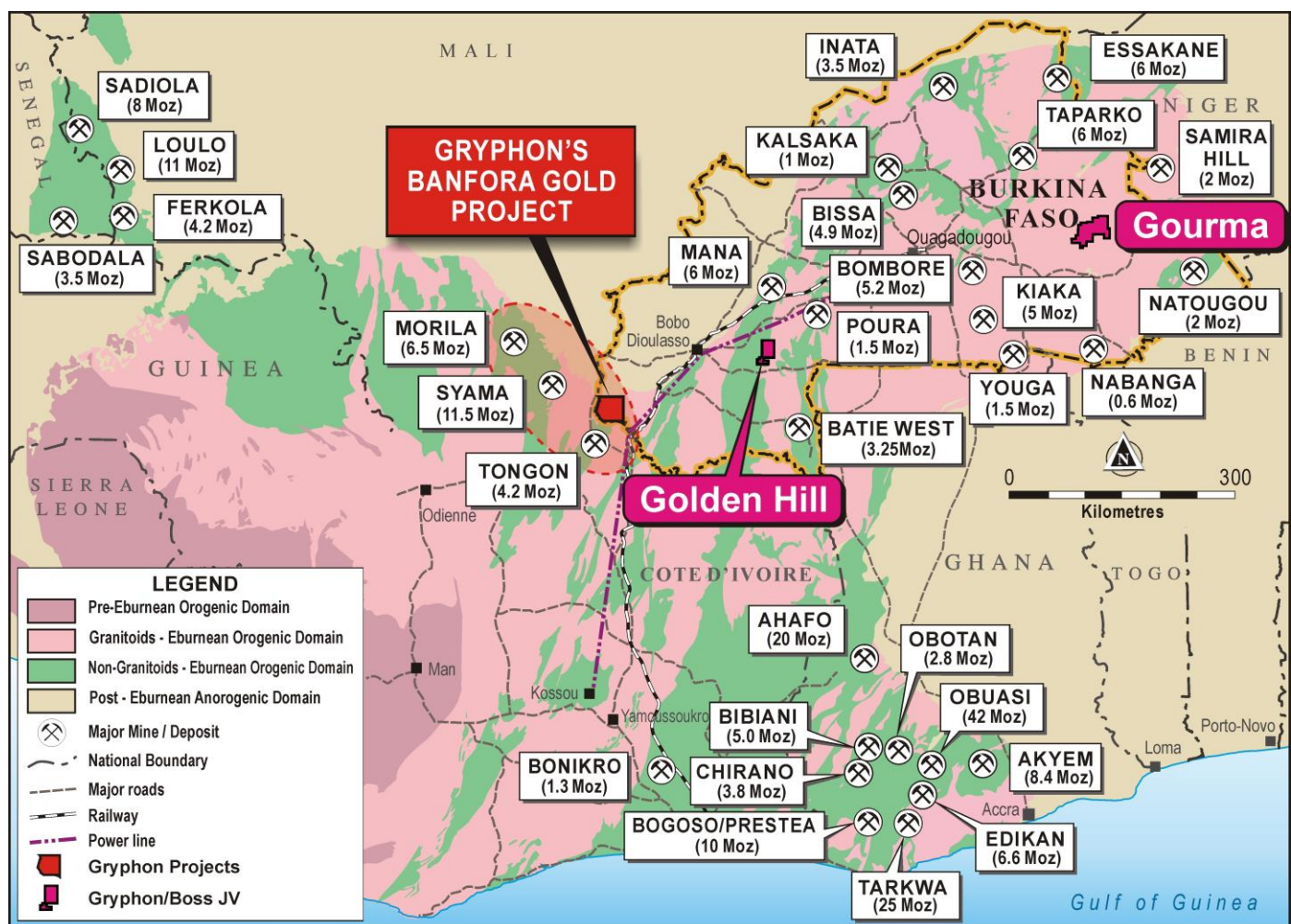
- At the end of the quarter Gryphon held approximately \$15.5 million in cash, plus approximately \$0.5 million in listed investments.
- Gryphon continued its commitment to ongoing cost management processes and has significantly reduced its net expenditure. During the quarter further cost reduction initiatives by the Company were implemented including:
  - as at 1 July 2015 all non-executive Directors agreed to a voluntary 25% reduction in fees. This is their second voluntary fee reduction in the past 2 years totalling 40% in reductions;
  - as at 1 July 2015 the Managing Director agreed to a voluntary reduction in his base salary of 10%. This is the Managing Director's second voluntary fee reduction in the past 2 years totalling 28% in reductions; and
  - as at 1 October 2015 all other key management personnel agreed to receive 10% of their base salary in shares, in lieu of cash.
- The Company remains focussed on further reducing administration costs with the focus of funds being deployed to low-cost exploration and pre-construction works whilst remaining focused on a '**de-risk, get ready & add value**' strategy.

## 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 early July 2015, Gryphon announced the results of an Optimisation Study (the "Study") for the development of a 2Mtpa Heap Leach start-up operation, and upside potential realised with the expansion of the facility through the addition of a conventional 1Mtpa carbon-in-leach (CIL) processing plant, at its fully permitted flagship Banfora Gold Project in Burkina Faso (GRY: 90%, Burkina Faso Government: 10%).

The latest Study highlights significantly enhanced Project economics, utilising additional grade control drill data for in-pit resources (refer ASX Announcement of 6 May 2015)<sup>3</sup>, and subject to finalising a senior debt facility, the Company intends to proceed with the development of the Project, potentially making the Banfora Gold Project one of the next operating gold mines commissioned in Burkina Faso, and Gryphon as one of the next low-cost ASX listed gold producers.

# Review of the Quarter ending 30 September 2015

As part of an optimisation study on the Project, the Company updated key cost parameters of the start-up Heap Leach operation, and in addition has incorporated a scoping level study<sup>2</sup> for the installation of a 1Mtpa CIL circuit.

The 1Mtpa CIL has the flexibility to be added to the 2Mtpa heap leach operation either at the commencement of development (simultaneously) or at a later date potentially using cash flows from the heap leach operation.

The optionality to develop the heap leach project as a standalone operation is retained given the benefits of lower up-front capex and quicker development time-frame. Retaining this optionality gives Gryphon the flexibility to develop a low-capex project under a more manageable funding solution, in turn allowing the 1Mtpa CIL circuit to be added at a later date, which can be funded in part via Heap Leach cash flow.

The studies have shown the upscaling would be best undertaken at the end of the second year of operation of the start-up heap leach facility. Hence a study has been completed for both scenarios, providing the Company with project development optionality which is considered beneficial under current market conditions.

The Study also focussed on the high cost elements and major contributors to capital, operating and sustaining costs. A gold price of US\$1,250/oz was retained for project economics, as per the original Heap Leach feasibility study base case (refer ASX Announcement of 4 August 2014)<sup>6</sup>. The Study highlights are as follows:

Updated Banfora Gold Project Feasibility Study Economics @ US\$1,250/oz		2015 Studies			2014 Feasibility Study
		Base Case (2mtpa Heap Leach Followed by 1mtpa CIL) <sup>2,5</sup>	Upscaled Case (Simultaneous Build of 2Mtpa Heap Leach + 1mtpa CIL) <sup>2,5</sup>	2mtpa Heap Leach Stand Alone <sup>5</sup>	2mtpa Heap Leach Stand Alone <sup>6</sup>
NPV <sub>5%</sub> after tax	A\$M	175	210	120	90
IRR after tax	%	24.9%	42.2%	30.4%	20.5%
LOM revenue (net of refining costs)	US\$M	1,162	1,160	778	808
Cash costs/oz (C1) <sup>7</sup>	US\$/oz	717	707	718	743
All-In Sustaining Costs/oz (AISC)	US\$/oz	811	800	839	868
Capital costs includes working capital & contingencies	US\$M	85 + 45	130	85	97
In pit gold resources	Moz	1.1	1.1	0.8	0.8
Average gold produced	oz/yr	63,000/129,000	133,000	73,800	70,600
LOM	years	9.2	7.0	8.6	9.2
Strip ratio	W:O	3.5:1	3.5:1	3.2:1	3.4:1

## Path Forward

The Company has significantly advanced its strategy of de-risking the Banfora Gold Project and moving towards gold production, with the following key milestones delivered:

- Shallow reserve infill and pre-mining grade control drilling complete which has demonstrated excellent continuity to gold mineralisation.
- Environmental permitting complete.
- Mining Licence granted by the Burkina Faso government.
- Independent studies completed proposing well-established, proven mine and HL & CIL processing technologies.
- Project debt due diligence progressed and expected to be completed in 2H 2015.

Over the coming months, the Company intends to complete the bank due diligence process in an effort to secure debt funding. This will underpin the funding solution for development of the start-up 2Mtpa heap leach facility. The Company will also complete its formal submission for a stability agreement (mining convention) with the Burkina Faso government, with timing of final sign-off from the government likely to be before the end of 2015, however delays could be experienced beyond the Company's control given the recent coup and presidential election timing.

## Banfora Gold Project | Operational

### Pre-Construction Works

The Company proceeded with only limited, low-cost pre-construction works during the period. Panel fabrication was suspended as a cost-saving measure, with sufficient fabrication completed for the 22 houses and associated structures required for the first small village to be relocated, which sits within the area earmarked for the heap leach processing facility.

The Company negotiated access to a source of clean river sand for construction purposes; including concrete and specific drainage requirements for earthworks. Samples were sent to a laboratory for testing confirming grading and suitability of the soil source. Following environmental approvals, the Company negotiated with the local communities and were granted free access to the sand source and the local community benefiting from upgrading the access roads in the area.

Repair works were carried out on local access roads and river crossings, including the main route to Fourkoura from Nogbele. The Company continues to work closely with the impacted communities to assist with road repairs on an as required basis.

Picture 1: Banfora Gold Project | Panels for Resettlement Housing and Local Construction Team



### Environmental & Social Responsibility (ESR)

The Company has continued to enjoy regular and co-operative dialog with Burkina Faso government officials, local communities and key stakeholders. The well documented popular uprising in late October 2014, which resulted in the removal of Burkina Faso president, Blaise Compaoré, and his governing political party, has not presented major disruption to our operations in Burkina Faso. The Company has maintained regular communication with key ministers within the interim government.

Unfortunately things changed somewhat in September when Burkina Faso suffered a military coup on the 17<sup>th</sup>, led by the RSP (presidential regiment that was established by Blaise Compaoré) when they kidnapped the interim president, prime minister and some senior cabinet ministers. The coup ultimately failed but only after waves of protests from the population and at the end, some reportedly heavy fighting when the army intervened on 29-Sep. It was reported in the media that an estimated 11 people lost their lives, and another 271 injured.

The coup has naturally been viewed negatively internationally, however it did not present major disruption to our operations in Burkina Faso and all personnel have remained safe and unharmed.

During the coup, the leader of the presidential regiment, General Gilbert Diendere, had assumed control as head of state; later stating he led the coup because of the interim government's plans to disband the elite guard and exclude Compaoré allies from participation in upcoming presidential elections, originally scheduled for 11 October 2015. He has since been charged with crimes including threatening state security and murder. The RSP has been disarmed and disbanded, and the interim government restored and will continue to govern in the lead up to the democratic presidential election, for which a new date of 29 November 2015 has been set. Gryphon remains positive that the democratic presidential elections will proceed smoothly in due course, and thereafter envisage a return to normality in Burkina Faso longer term.

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.

Despite the issues in Ouagadougou, the 16<sup>th</sup> CCC meeting was held on 29 September 2015. The relocation site for Katolo was agreed in principle, meaning that all relocation sites across the four deposits have been agreed. A formal agreement for Katolo (Fourkoura deposit) is due to be signed at the next CCC meeting in November.

Gryphon also responded to community questions at the CCC meeting, regarding:

- The change in proposed infrastructure resulting from change to heap leach from CIL plant. The water dam was anticipated to be a benefit to communities, and the potential of providing micro-dams within mining affected villages is being assessed as an alternative. The Company has commenced with the process with the construction of a micro-dam in Nanguedougou (near Nogbele deposit).
- The system for communicating with Gryphon for households wishing to build new homes for growing families, and the management of the database accordingly given the moratorium has been set.

The Company attended a meeting of the Provincial Consultation Committee (PCC) in Sindou. The Ministry of Environment addressed the damaging effects of ASM, and capacity constraints of provincial government structures. Information obtained will be used to inform Gryphon's approach to community development and ASM management.

The Company met with the Regional Consultation Committee (RCC) in Banfora. It was attended by over fifty government and civil society representatives and eight recommendations were put forth to address the removal of artisanal and small-scale miners from the exploration and mining permit areas.

The Company continued supporting the MISADO program, a sensitisation program organised by the High Commissioner of the Léraba province with the objective of clearing illegal small-scale mining activities from the sites in the region. This initiative has unfortunately stalled with the recent political issues in Ouagadougou.

The Company initiated the third phase of its Literacy Program for the communities.

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

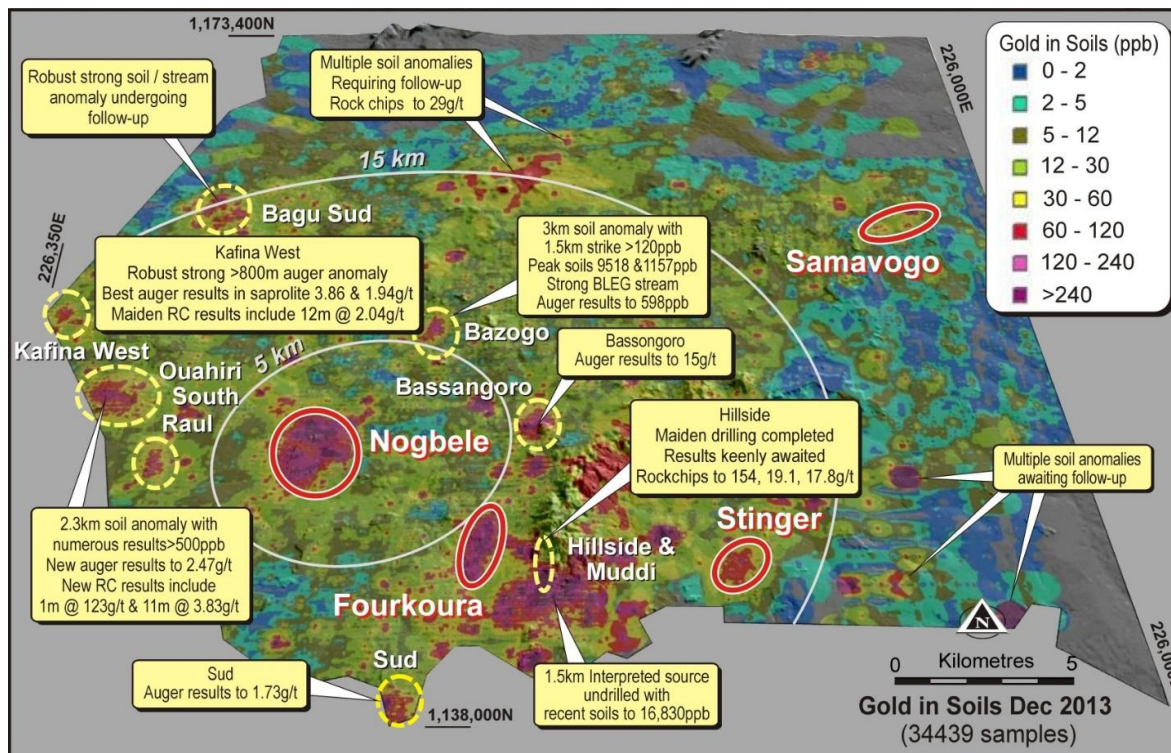
Preparation of the Environmental, Social Impact Assessment to International Finance Corporation (IFC) standards has been placed on hold given recent events in the country. The management team is considering timing for commencement which will likely proceed after the presidential elections which have reportedly been set for 29 November 2015.

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

With the wet season occurring throughout the quarter very limited field work took place on the Banfora tenements. Work was restricted to some soil sampling grids seeking potential indications of mineralisation along strike of Samavogo, Stinger and within the Muddhi district. The results have been received and some follow-up work planned on the more promising results on a sub-parallel trend to the Stinger deposit.

Desktop activities seeking potential high grade underground targets at Nogbele commenced. This included reprocessing of detailed gravity data collected in 2013. The latest gravity images suggest the presence of several discrete density domains within the Nogbele granitoid, which may be the result of mafic intrusions which provided the thermal input for alteration and mineralisation. Further desktop work will continue in the December quarter, using geophysical, geochemical and previous drill data looking for potential high grade underground mining opportunities to augment the existing open cut resources and reserves.

Figure 2: Soil Geochemical Targets at the Banfora Gold Project



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

### Golden Hill and Gourma 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 and Gourma 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. The Company has completed a review of past work, acquired high resolution remote sensing datasets, completed relatively high density (>1 sample per ~6 km<sup>2</sup>) drainage sampling, supplemented by laterite sampling, where appropriate, 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. To date the company has collected over 16,000 soil samples and drilled nearly 1150 auger holes for ~600m since commencing work on the joint venture. 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.

With the wet season occurring throughout the quarter very limited field work took place as access to these areas was difficult. Work was mainly limited to desktop reviews and planning for the next field season.



Figure 3: Gryphon Minerals Project Location Map

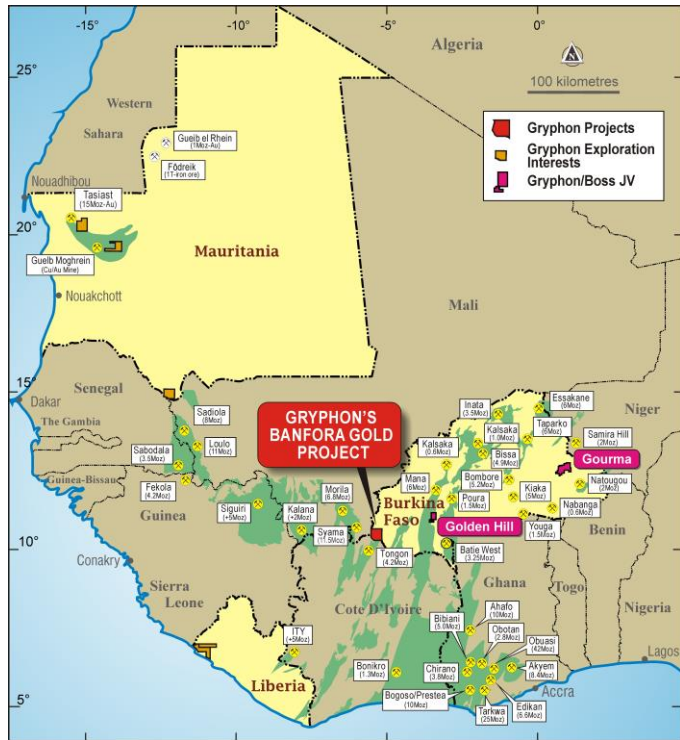
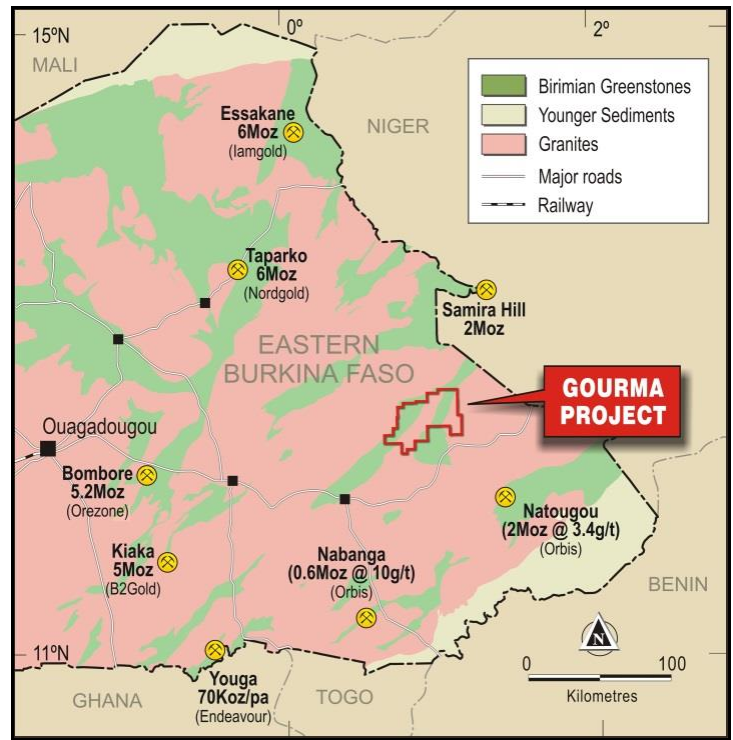


Figure 4: Gourma Project Location Map



## Gourma Gold Project

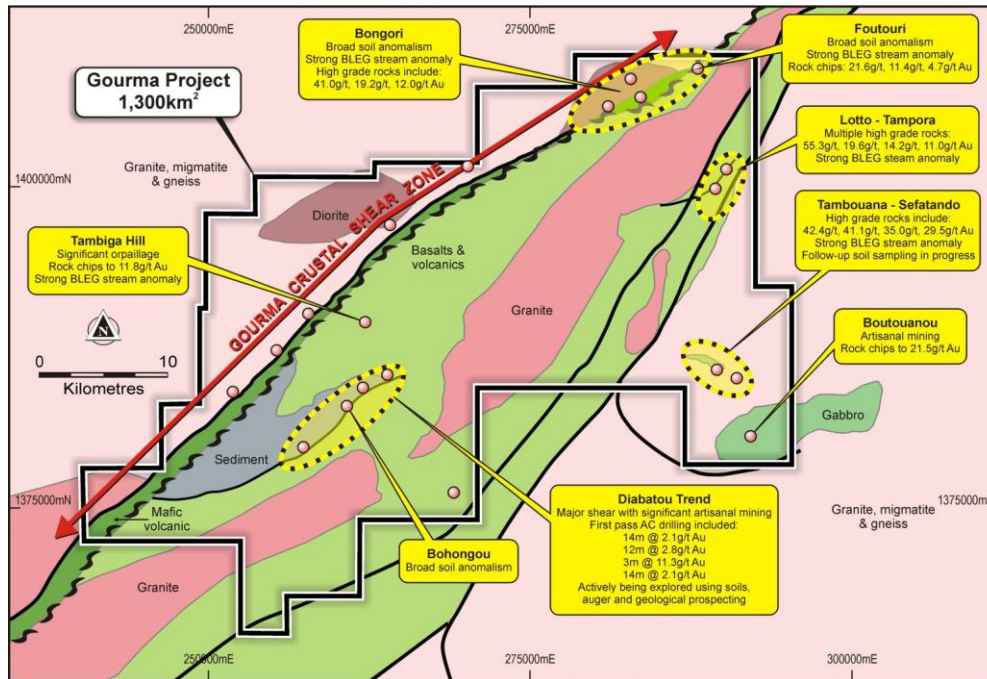
The Gourma Project is located within the Fada N'Gourma Greenstone Belt, 250km east of Ouagadougou and only 80 km south-southwest of Niger's largest gold deposit, the 50,000 ounce per annum Samira Hill gold mine (1.9 million ounce project). The Project consists of six contiguous permits (Diabatou, Tyara, Foutouri Boutouanou, Tyabo and Kankandi) that cover a total area of approximately 1,300 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 and 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 8,525 soil samples plus preliminary **shallow auger drilling** which has returned a peak result of **27.5 g/t Au in saprolite** (Refer ASX Announcement 17 February 2015)<sup>3</sup>.

Multi-element drainage and laterite sample assays have been received from the four original joint venture permits and 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 5: Gourma Project Geology and Prospects Overview



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 December 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.

### *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 Foutouri Prospect returned peak rock chip results of 21.6 g/t, 11.4 g/t and 4.7 g/t gold.

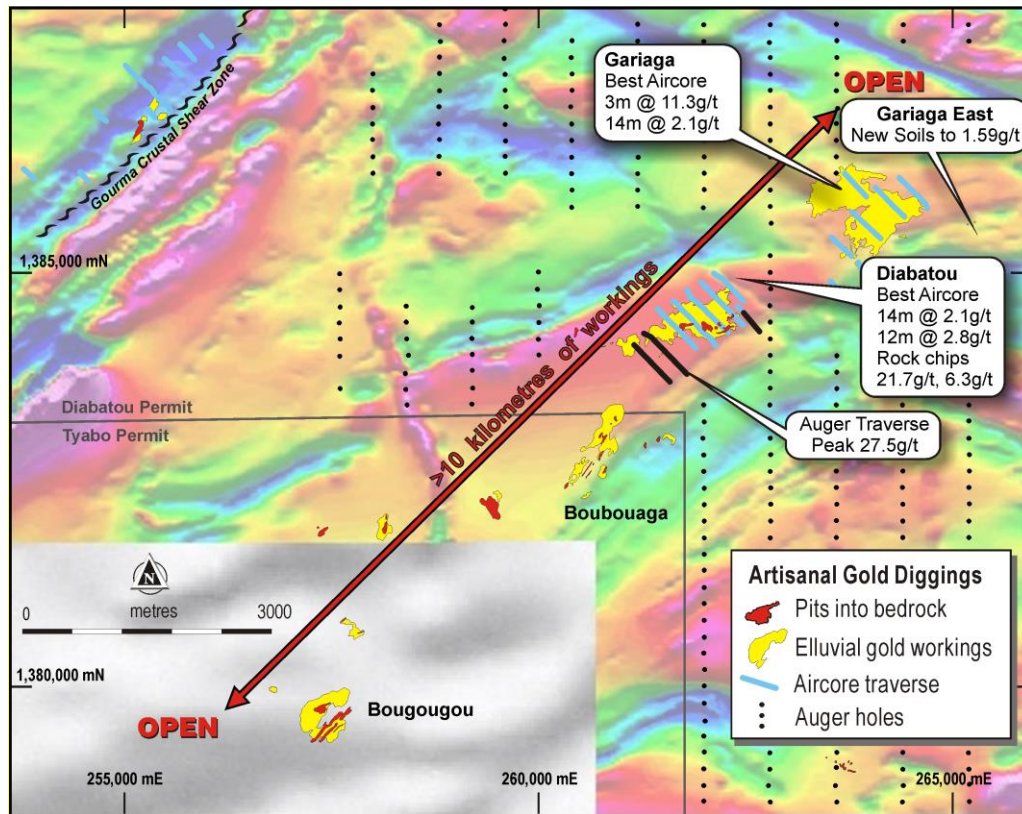
### *Gariaga-Diabatou Trend – Multiple Targets*

The Gariaga-Diabatou mineralised trend extends southwest onto the recently acquired Tyabo permit. 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.

Figure 6: Gariaga – Diabatou Trend



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

A number of prospects with high grade surface mineralisation had previously been identified by Boss Resources in the east and southeast of the project. In the far southeast of the tenement package the Sefatendano and Tambouana Prospects are present in northwest 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. An auger program has been planned to provide first pass subsurface testing of the soil anomaly.

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 769,000oz @ 4.94 g/t gold) plus the high grade Yaramoko deposit owned by Roxgold (TSX.V: ROG) (790,000oz @ 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 7). 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.

Figure 7: Golden Hill Project Location

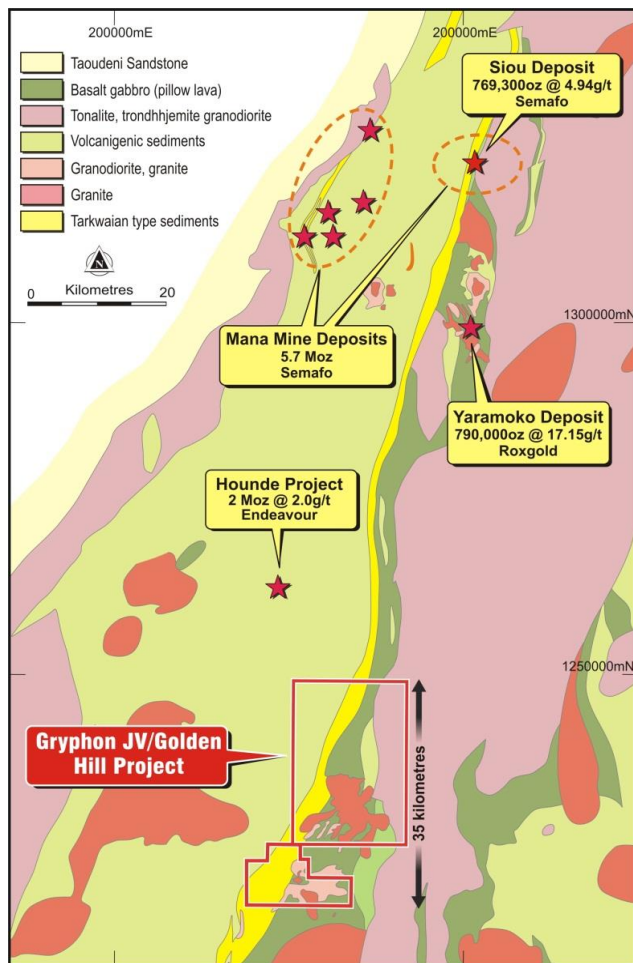
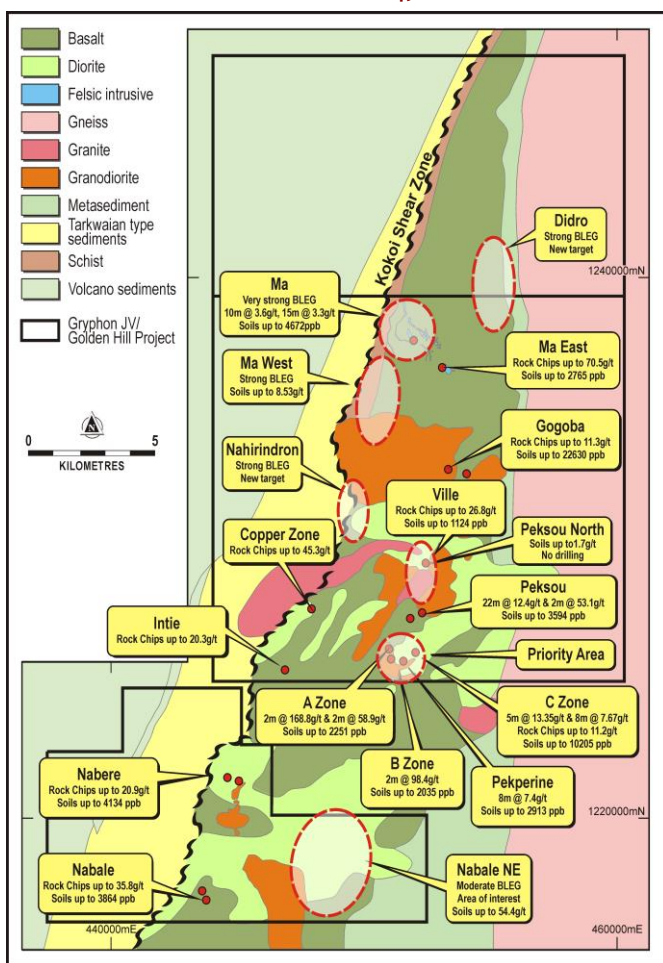


Figure 8: Golden Hill Project (Refer to ASX Announcement 2 December 2014)



Exploration work by the Company this quarter comprised of geological mapping and auger drilling. Auger drilling (total of 96 holes for 558m) focused primarily at the Nahirindron North prospect drilling beneath a thick ferricrete plateau on the prospective Boni Shear Zone in a similar geological environment to that which hosts the Siou Deposit. The results to date are interesting and these will be followed up on once the field season recommences.

Auger results were received in early July including lines drilled at Nahiri Sud Nahiri Sud from a zone dubbed Jack Hammer Hill for the prominent ridge of auriferous ferricrete that was briefly exploited by orpailleur using pneumatic drills earlier this year. Two short auger lines were drilled 250m apart immediately north of this ridge. The lines indicate a NE striking zone of +100 ppb gold anomalism that is approximately 100m wide with peak values of 1.14g/t Au in GHAU1013 and 0.73g/t Au in GHAU0990 along strike (Refer Appendix 2). Shortly after these lines were completed an increase in illegal artisanal mining activity was witnessed in this area. The Department of Mines and ONASIM were immediately notified and action to close this and other sites on Golden Hill is advancing with the full cooperation and assistance of the authorities.

A geological review of Jack Hammer Hill indicates that the artisanal workings are located at the northern margin of the V7 Granite Stock; the same intrusive that hosts mineralized zones previously targeted by Orezone (TSX:ORE) at A-Zone. The trend of anomalism is also coincident with a belt of mafic schist recently mapped by Gryphon geologists. This mafic schist is in turn parallel to the major Intiedougou Fault Zone, perhaps marking its eastern boundary. A review of historical Induced Polarization geophysical data indicates a significant chargeability anomaly coincident with the projection of several other prospects along strike, suggesting that the ground geophysics will augment the exploration geochemistry datasets and thus aid future drill planning. Follow-up work has been planned and will be undertaken in the new field season starting in the coming quarter.

## Regional Exploration| Other Projects, West Africa

### Mauritania: New Copper and Gold Targets

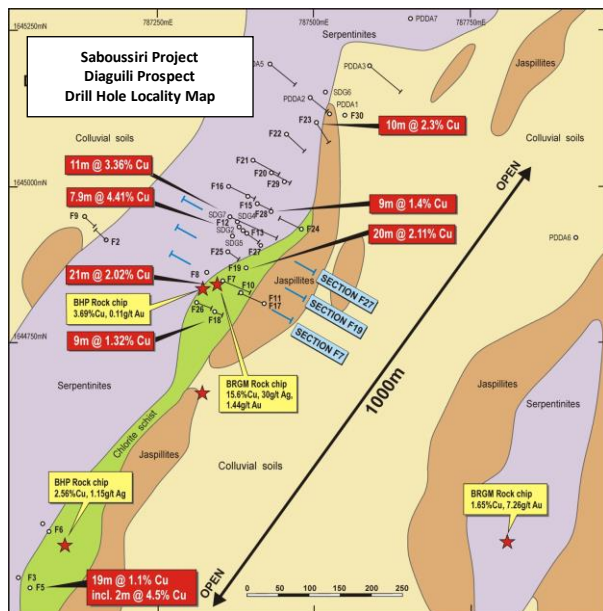
Low cost activity continues on the copper-gold targets in Mauritania involving field mapping and geochemical prospecting using a portable pXRF to take chemical readings of near surface soil and rock samples to help locate and define new prospects and drill targets.

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

At the Diaguili copper and gold prospect, mineralization is related to the northeast 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 +pyrrhotite +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.

Figure 9: 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 samples collected in the past 18 months have 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> and **60.5 g/t gold and 8.67 % Cu with 8.36 g/t gold and 2.43 g/t silver** from outcropping iron carbonate (Refer ASX Announcement dated 30 April 2015)<sup>3</sup>. 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.

### 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.

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 northwest Mauritania and covers approximately 1,400 square kilometres of contiguous exploration licenses. Around 1400 samples were read by portable XRF seeking more information about the prospect's geochemistry and whether there are any notable trace or pathfinder elements. The work focused on the Eleanor prospect where previous historic drill results by Shield included 6m @ 17.63g/t gold from 10m; 6m @ 10.47 g/t gold from 10m; 2m @ 20.90g/t gold from 42m. The results have assisted with geological mapping and targeting, and provide confidence to extend this low cost work to other parts of the tenement package.

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

As reported in the previous quarter, the company is in the process of relinquishing these low prospectivity tenements and withdrawing from Côte d'Ivoire.

## 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 2014, 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 8 July 2015, Tawana announced the discovery of Direct Shipping Ore on their newly acquired tenement MEL1223/14 which presents the Company with a potential strategic opportunity to mine and supply high-grade feed to an early start-up, low capital intensity project at a significantly reduced OPEX and CAPEX cost, due to very simple crushing and screening requirements only (i.e. no beneficiation).

On 18 May 2015, a Memorandum of Understanding (MoU) was executed between Tawana and WISCO-CAD (WISCO) for the use of the Freeport iron ore facility in Monrovia. WISCO is the owner-operator of the iron ore port facility and is currently exporting iron ore. A draft Cooperation Agreement has been forwarded to WISCO for review and negotiation. The MoU provides the platform for negotiating a commercially viable end-to-end logistics solution for the Mofe Creek project during its early stages of development and ramp-up.

## Corporate

### Cash and Working Capital

At the end of the quarter, Gryphon held approximately \$15.5 million in cash, plus approximately \$0.5 million in listed investments. The majority of the costs for the quarter were as follows:

- Engineering studies, pre-construction and camp costs of \$1.2 million which mainly comprised of residual payments for the optimisation and scoping studies on the 2Mtpa heap leach plus 1Mtpa CIL project at Banfora, environmental and social responsibility studies including the resettlement action plan, Nianka camp costs, Banfora region artisanal miner management costs, wages including further redundancies, land taxes, Banfora resettlement planning and panel fabrication and other site related costs.
- Exploration costs of \$1.2 million. Refer to exploration section for work performed during the quarter.
- Administration costs of \$1.0 million which mainly comprises salaries and wages, rent, travel, conference costs (Diggers & Dealers and Denver/Beaver Creek Gold conferences) and insurance payments.
- Offset by a refund from Outotec on purchased equipment \$0.4m and interest received of \$0.1m.

Gryphon continued its commitment to ongoing cost management processes and has significantly reduced its net expenditure. During the quarter further cost reduction initiatives by the Company were implemented including:

- as at 1 July 2015 all non-executive Directors agreed to a voluntary 25% reduction in fees. This is their second voluntary fee reduction in the past 2 years totalling 40% in reductions;
- as at 1 July 2015 the Managing Director agreed to a voluntary reduction in his base salary of 10%. This is the Managing Director's second voluntary fee reduction in the past 2 years totalling 28% in reductions; and
- as at 1 October 2015 all other key management personnel agreed to receive 10% of their base salary in shares, in lieu of cash.

The Company remains focussed on further reducing administration costs with the focus of funds being deployed to low-cost exploration and pre-construction costs. Gryphon 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.

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 ASX Announcement dated 6 July 2015. The results are at Scoping Study level. The Scoping Study referred to in this report is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

In discussing 'reasonable prospects for eventual economic extraction' in Clause 20, the Code requires an assessment (albeit preliminary) in respect of all matters likely to influence the prospect of economic extraction including the approximate mining parameters by the Competent Person. While a Scoping Study may provide the basis for that assessment, the Code does not require a Scoping Study to have been completed to report a Mineral Resource.

Scoping Studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar deposits or operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. Reporting the general results of a Scoping Study needs to be undertaken with care to ensure there is no implication that Ore Reserves have been established or that economic development is assured. In this regard it may be appropriate to indicate the Mineral Resource inputs to the Scoping Study and the processes applied, but it is not appropriate to report the diluted tonnes and grade as if they were Ore Reserves.

While initial mining and processing cases may have been developed during a Scoping Study, it must not be used to allow an Ore Reserve to be developed.

There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The stated production target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

Gryphon Minerals is not aware of any new information or data that materially effects the information included in the said announcement.

- <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. Refer to announcement on 4 June 2014.
- <sup>5</sup> Refer to ASX announcement dated 6 July 2015. 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>6</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>7</sup> C1 cash costs as set out by Mackenzie Wood.

## Competent Persons Statement

The information in this report that relates to the Exploration Results at the Company's Banfora Gold Project, Burkina Faso, the Golden Hill and Gourma Projects, 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.

# Review of the Quarter ending 30 September 2015

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>	Wahignon	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>	Odiene	Côte d'Ivoire
	Samaminkan (FNW)	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><i>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.</i></p>	<ul style="list-style-type: none"> <li>Rock samples are grab samples collected by hand by a geologist.</li> <li>Soil samples were collected by digging a shallow hole to 30cm depth by hand and taking a slice taken down the face of the hole to collect material from depths of 5 to approximately 30cm depth. The samples were sieved to &lt;2mm with approximately 600grams sent to the laboratory for analysis by CN leach.</li> <li>Auger samples were collected using a 3.5 inch diameter auger flute with blade bit. Two horizons were targeted for sampling: base of laterite and recognisable saprolite. Sampling involved spearing approximately 1kg of sample from 1m intervals of the targeted regolith horizons. The samples were then sent to the lab, dried, pulverised to generate a 50g charge for fire assay.</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>Auger samples were collected using a 3.5 inch diameter auger flute with blade bit using a Landcruiser mounted auger rig.</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>Auger sampling is inherently imprecise and runs the risk of smearing and contamination from within the hole, but it does allow geochemical sampling from deeper in the regolith profile. Material can be lost off the auger flutes, which has the potential to upgrade or downgrade the assays where mineralised material is encountered. Efforts were made to obtain a quality sample through careful rotation of the rods and methodical clearance around the top of the hole, aiding sample recovery. The assays are a guide to the presence or absence of mineralisation in the vicinity of the hole, little more.</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>All sample materials, auger, rock and soil samples were geologically logged on site prior to submission to the laboratory.</li> <li>Logging is qualitative</li> <li>All samples logged</li> <li>The entire length of the auger holes was logged.</li> </ul>

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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>• Auger samples were dry or moist and sampled using a plastic 'spear'.</li> <li>• Soils were collected with tight regolith terrain control, limiting sampling to appropriate parts of the terrain and materials. Sieving to &lt;2mm removed the biota and larger rock and regolith fragments which could bias or dilute the assays.</li> <li>• Rock samples were limited to in-situ bedrock; no float samples.</li> <li>• Auger sampling targeted in-situ bedrock to gain lithic-specific samples as well as overlying residual laterite with the potential to detect mineralisation between the holes as a result of hydrodynamic geochemical dispersion associated with lateritic weathering processes.</li> <li>• 1 kgs of rock chips and auger samples 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>• Field duplicates collected for soil and auger samples at a rate of 2%, with a further 2% blanks and 2% reference standards inserted.</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 analysis involved 50g sample undergoing fire assay with gravity finish.</li> <li>• Not applicable.</li> <li>• Reference materials, blanks and duplicates are regularly inserted into the sample preparation and analysis process with approximately 6% 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>• Individual samples are reported, not intervals. The holes reported have not been resampled.</li> <li>• No auger holes with significant assays have been twinned.</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.</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 chip, soil and auger holes are surveyed by handheld GPS. Surveys are accurate to &lt; 5m in horizontal precision.</li> <li>• All Banfora and Golden Hill samples are collected to WGS 84 datum UTM Zone 30 N projection and Gourma Project samples are collected to WGS84 datum UTM Zone 31 north.</li> <li>• No topographic control applied to the rock chip, soil or auger samples.</li> </ul>

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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>• Auger drill hole results reported were from variable spacing of 10m, 20m, 40m or 80m on lines of 200m to 400m apart depending upon the regolith terrain type and anticipated target size and geochemical dispersion.</li> <li>• All the sampling reported is focused on simply locating the more mineralised parts of the terrain and none of the new auger, soil or rock chip results can be used to establish or even infer grade continuity for Mineral Resource or Ore Reserve estimation.</li> </ul> <p>Localised compositing has been applied consistent with industry practice for rock grab samples, with samples collected from a radius of 5m from the sample location.</p> <p>No sample compositing has been applied to the soil or auger samples.</p>
<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>• Rock chip samples are from visually altered or mineralized material and therefore the sampling method is biased to the detection of mineralization and provides no indication of the potential average grade of the sampled structures.</li> <li>• The auger drilling involved vertical sampling at 1m intervals from areas often with no previous drilling or outcrop exposures. There is a possibility that the drilling is down dip, but this is still to be determined.</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>The Boss JV comprises 2 separate regions and a total of 7 permis. <ul style="list-style-type: none"> <li>Gourma- 2012-074/MCE/SG/DGMGC Boutouanou Arrete</li> <li>2012-076/MCE/SG/DGMGC Diabatou Arrete</li> <li>2013-0112/MME/SG/DGMG Tyara Arrete</li> <li>2013-090/MME/SG/DGMG Foutouri Arrete</li> <li>Golden Hill-2013-031 /MME/SG/DGMG Baniri Arrete</li> <li>2013-030 /MME/SG/DGMG Intiedougou Arrete</li> <li>2013-018 /MME/SG/DGMG Mougue Arrete</li> </ul> </li> <li>Boss Resources is 100% holder of the permis. <p>The Mougue Arrete (most southern of the Golden Hill Project) is wholly within the “Reserve partielle de Nabere” Exploration activities are allowed to take place within the partial forest reserve, but special environmental permitting would likely be required as part of any Mining License Application.</p> <p>The Kankandi and Tyabo Permits are currently in the process of being transferred from the previous land holder to Boss Resources, after which they will form part of the Boss JV (Refer ASX Announcement 28 January 2015).</p> </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>Exploration completed by Boss Resources included soil, auger, rock and drill sampling and airborne magnetic and radiometric surveys. Refer to Boss announcements (ASX:BOE) on 4/12/2012, 30/01/2013 and 8/03/2013 for drilling details and other significant results.</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 Boss Resources Joint Venture concerns two projects hosted in granite/greenstone belts of the Proterozoic Birimian Shield in Burkina Faso. Exploration is targeting orogenic style gold mineralisation systems.</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>The drill hole data referred to in this document is historical coming from Boss Resources and Gryphon Resources. Summaries of the results are contained in previous releases, notably (ASX:BOE), 4/12/2012, 30/01/2013, 8/03/2013 reported under JORC Code 2004 and Gryphon Resources, notably (ASX:GRY), 15/05/2013 and 06/05/2015 referring to reserve infill drill results.</li> </ul>

# Review of the Quarter ending 30 September 2015

Criteria	JORC Code explanation	Commentary
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></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>
<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 or soil 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 and soils 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 auger sampling, soil and rock chip sampling will continue 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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