



GRYPHON
MINERALS LIMITED

Corporate Directory

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ASX CODE

GRY

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Divestment of Mauritanian Gold and Copper Assets

Highlights

- Gryphon Minerals Limited has granted an option to TSX-V listed entity Algold Resources Ltd (TMX:ALG) to acquire 100% of Gryphon's interest in its Mauritanian assets.
- Total consideration of up to A\$4.5¹ million including a 14.9% interest in Algold's issued shares (approximate value of A\$1.3 million) and a further A\$3.2 million on achievement of certain milestones.
- Gryphon Minerals to participate in any upside through its significant shareholding and milestone payments. Algold management has a strong track record in developing mineral projects in Mauritania.
- Allows Gryphon Minerals to focus funds on the development of the Banfora Gold Project.

Gryphon Minerals Limited (ASX:GRY) is pleased to announce that the Company has granted an option to Algold Resources Ltd (TMX: ALG) to acquire 100% of Gryphon's interest in its Mauritanian Properties, principally comprising the Saboussiri Copper/Gold Project, Tijirit Gold Project and Akjoujt Copper/Gold Project.

Benefits of the Transaction

The benefits of the transaction include:

- Allowing Gryphon to focus its funds on developing its Banfora Gold Project in Burkina Faso;
- Obtaining a significant stake in a Canadian listed entity allowing Gryphon to participate in the upside;
- Algold has an experienced management team with recent, relevant experience in developing mineral projects in Mauritania.

Option Terms

The consideration for the granting of the option is the issue of C\$250,000 worth of Algold Resources Ltd shares (Initial Shares) which are non-refundable.

Algold may exercise the option at any time within 90 days of the signed option agreement (29 October 2015) by issuing further shares that together with the Initial Shares would result in Gryphon holding 14.9% of Algold's issued and outstanding shares.

In addition to the initial consideration, Gryphon is entitled to the following milestone payments:

- (i) C\$1.5 million, payable at the option of Algold either in cash or Algold common shares upon the earlier of:
 - the date that is 90 days after Algold announces that there is an NI 43-101 compliant mineral resource (of any one or more categories of measured,



indicated or inferred) of 500,000 ounces on a gold equivalent ounces basis at any of the properties or combination thereof; and

- the later of the following two dates:
 - the date which falls 15 months from the completion of the transaction; and
 - the date on which Algold receives, from the Mauritanian authorities, the documents evidencing the renewal of the licenses with respect to the tenements subject to the option agreement.
- (ii) C\$1.5 million, payable within 90 days of achieving an NI 43-101 compliant mineral resource (of any one or more categories of measured, indicated or inferred) of 1,000,000 ounces on a gold equivalent ounces basis at any of the properties.

The finalisation of the option is subject to TSX-V approval which is expected in the next few business days.

Yours faithfully

A handwritten signature in black ink, appearing to be "S. Parsons", is written over a horizontal line.

Stephen Parsons
Managing Director

¹ CAD/AUD exchange rate of 1.06.