

ASX Announcement

20 July 2016



Gryphon Minerals completes Placement with Teranga Gold to Accelerate The Banfora Gold Project Development Timetable

Gryphon Minerals Limited (Gryphon) (ASX:GRY) is pleased to announce that it has completed a placement to Teranga Gold Corporation (Teranga) (TSX:TGZ) (ASX:TGZ) whereby Teranga has subscribed for 21.2 million fully paid ordinary shares in Gryphon for a total consideration of A\$4.4 million (Placement).

The Placement price of A\$0.206 per Gryphon share, which is equivalent to Teranga's offer price for one Gryphon share under the proposed scheme of arrangement announced on 20 June 2016 (Proposed Transaction)¹, represents a premium to Gryphon's closing share price on 19 July 2016 and results in Teranga owning approximately 5% of Gryphon's issued and outstanding shares.

The shares have been issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 and therefore does not require shareholder approval.

The Placement follows the announcement on 20 June 2016 that Teranga has signed an agreement to acquire Gryphon as part of the all share Proposed Transaction. A meeting of Gryphon shareholders to approve the Proposed Transaction is expected to take place in late September 2016, with closing anticipated in October 2016.

The funds from the Placement will be used to immediately start a resource conversion drill program and plant optimisation studies required to complete a fully optimised and de-risked feasibility study by the first half of 2017 and to update the tailings storage facility design and relocation action plan required as a result of the decision to move forward with a carbon-in-leach plant.

Managing Director Steve Parsons stated "This injection of funds by Teranga will enable us to move forward quickly over the coming few months to complete the updated engineering studies and resource and reserve drilling for a Carbon In Leach processing plant at the Banfora Gold Project. Drilling has now commenced on phase two of our drill programme and we expect a second rig onsite shortly. We look forward to updating the market as to the results of this work program."

Detailed information on all aspects of Gryphon's projects can be found on the Company's website: www.gryphonminerals.com.au.

Yours faithfully

Steve Parsons
Managing Director

¹ Based on the proposed exchange ratio of 0.169 and the closing prices of GRY shares and TGZ CDIs on ASX on 17 June 2016.

Corporate Directory

Non-Executive Chairman
Mel Ashton

Managing Director
Stephen Parsons

Non-Executive Directors
Didier Murcia
Bruce McFadzean

Company Secretary
Carl Travaglini

Teranga Gold Corporation is to acquire Gryphon Minerals via a Scheme of Arrangement (ASX 20/6/16)

Banfora Gold Project, Burkina Faso

- Fully permitted
- Shovel ready
- Exploration upside

Highly Prospective Exploration Pipeline, Burkina Faso

- Golden Hill and Gourma Gold Projects

Contact Details

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ASX CODE

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Forward Looking Statements

This release contains forward-looking statements. Wherever possible, words such as “intends”, “expects”, “scheduled”, “estimates”, “anticipates”, “believes”, and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this release reflect management’s current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, The Company cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause the Company's actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended, including those risk factors discussed in the Company’s public filings. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. Any forward-looking statements are made as of the date of this release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law. This release may contain certain forward looking statements and projections regarding: estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives.

Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of the Company. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved. The Company does not make any representations and provides no warranties concerning the accuracy.