



Gryphon Minerals Limited
ABN 31 107 690 657

NOTICE OF ANNUAL GENERAL MEETING

– and –

EXPLANATORY STATEMENT

– and –

PROXY FORM

DATE AND TIME OF MEETING:
25 November 2009 at 11.30am

VENUE: Freemasons Hall
181 Roberts Road, Subiaco Western Australia 6008

These documents should be read in their entirety. If shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor.

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NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the members of Gryphon Minerals Limited (“**Gryphon**” or the “**Company**”) will be held at Freemasons Hall, 181 Roberts Road, Subiaco, Western Australia 6008, at 11.30am, on 25 November 2009.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

AGENDA

ORDINARY BUSINESS

To receive and consider the financial report of the Company for the financial year ended 30 June 2009 and the reports by directors and auditors thereon.

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolutions:-

1. RE-ELECTION OF MR ASHTON AS DIRECTOR

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

“To re-elect as a director Mr Ashton who retires by rotation in accordance with ASX Listing Rule 14.4 and Clause 11.3 of the Company's Constitution and, being eligible, offers himself for re-election.”

Short Explanation: In accordance with ASX Listing Rule 14.4 (rotation of directors) and the Company's Constitution, one third of the Directors must retire by rotation at every Annual General Meeting. Accordingly, Mr Ashton retires by rotation and being eligible for re-election, offers himself for re-election at the Meeting.

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report.”

Short Explanation: The Corporations Act provides that the Company must put a resolution that the Remuneration Report be adopted must be put to vote at a listed company's Annual General Meeting. The vote on Resolution 2 is advisory only and does not bind the Directors or the Company.

SPECIAL BUSINESS

3. APPROVAL OF THE EMPLOYEE INCENTIVE SCHEME

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

“That, for the purposes of Exception 9 of Rule 7.2 of the ASX Listing Rules and for all other purposes, approval is given for the Company to administer and issue securities under its employee incentive scheme as an exception to Listing Rule 7.1 and on the terms and conditions set out in the Explanatory Memorandum”

1. Prior to making a decision with respect to Resolution 3, members should refer to Section 3 of the Explanatory Statement which accompanies this Notice of Meeting.
2. In accordance with ASX Listing Rule 7.2, the Company will disregard any votes cast on Resolution 3 by any director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the entity) and any associate of those Directors. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. NON-EXECUTIVE DIRECTOR FEES

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

“That the maximum aggregate remuneration which may be paid to the Non-Executive Directors of the Company for their services for each financial year commencing on 1 July 2009 be increased from \$300,000 which was approved by shareholders on 19 November 2008 to \$500,000 per annum for the purposes of Clause 11.15 of the Company’s Constitution and ASX Listing Rule 10.17.”

Short Explanation: Directors wish to increase the cap on the aggregate remuneration of Non-Executive Directors to provide capacity for additional members to be appointed to the Board should it be considered necessary due to the expected growth of the Company. The Directors do not anticipate increasing Non-Executive Director fees based on the passing of the proposed resolution. Further information on Non-Executive Director fees are provided in Section 4 of the Explanatory Statement.

1. Prior to making a decision with respect to Resolution 4, members should refer to Section 4 of the Explanatory Statement which accompanies this Notice of Meeting.
2. In accordance with ASX Listing Rule 10.17.1, the Company will disregard any votes cast on Resolution 4 by all the Directors of the Company and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

PROXIES

1. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of the member. If two proxies are appointed, and a member does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes. A proxy need not be a member of the Company.
2. In order to vote on behalf of a company that is a shareholder of Gryphon, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.
3. Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged at the registered office of the Company, at 181 Roberts Road, Subiaco WA 6008, or by facsimile (61 8) 9287 4334 not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.
4. An instrument appointing a proxy:
 - a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
 - b) may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument;
 - c) shall be deemed to confer authority to demand or join in demanding a poll;
 - d) shall be in such form as the Directors determine and which complies with Section 250A of the Corporations Act 2001;
 - e) proxies appointing the Chairman which do not specify the way in which the proxy is to vote on a particular resolution will be recorded as voting in favour of the resolutions.

ATTENDANCE AND VOTING ELIGIBILITY

For the purpose of regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that Shares held at 5.00pm WST on Monday, 23 November will be taken, for the purposes of this Annual General Meeting, to be held by the persons who held them at that time.

BY ORDER OF THE BOARD



Brett Dunnachie
Company Secretary

Dated: 19 October 2009

Gryphon Minerals Limited
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EXPLANATORY STATEMENT

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of Gryphon Minerals Limited (“**Gryphon**” or the “**Company**”) in connection with Resolutions 1 to 4 of the Annual General Meeting of members to be held at Freemasons Hall, 181 Roberts Road, Subiaco, Western Australia 6008, at 11.30am, 25 November 2009.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting. Please refer to Section 5 of this Explanatory Statement for a glossary of terms.

1. RE-ELECTION OF MR ASHTON AS DIRECTOR

In accordance with ASX Listing Rule 14.4, no director of the Company may hold office (without re-election) past the longer of 3 years and the third Annual General Meeting following their appointment. Further, in accordance with the Company’s Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. Resolution 1 seeks approval for the election of Mr Ashton, who retires in accordance with Clause 11.3 of the Company’s Constitution and, being eligible, offers himself for re-election as a Director of the Company, with effect from the end of the meeting.

Mr Ashton holds a Bachelor of Commerce degree from the University of Western Australia, is a fellow of the Institute of Chartered Accountants and a fellow of the Australian Institute of Company Directors. Mr Ashton also currently holds a number of board appointments, including a National Director of the Institute of Chartered Accountants, Director of The Hawaiian Group of Companies and a Director of Cullen Wines (Australia) Pty Ltd. He is currently the Chairman for Empired Ltd and Venture Minerals Limited.

2. ADOPTION OF REMUNERATION REPORT (NON-BINDING)

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report be adopted to vote at the Annual General Meeting. The vote on Resolution 2 is advisory only and does not bind the Directors or the Company.

The Remuneration Report includes all of the information required by Section 300A of the Corporations Act, including:

- board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of directors, secretaries and senior managers of the Company;
- discussion of the relationship between such policy and the Company’s performance; and
- the prescribed details in relation to the remuneration of each Director and certain executives.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting

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3. APPROVAL OF THE EMPLOYEE INCENTIVE SCHEME

The Company has established an Employee Incentive Scheme, the terms of which were set out in the Prospectus dated 26 March 2004 ("**Scheme**"). Resolution 3 is a resolution which seeks shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Scheme without prior shareholder approval and in reliance on the exception to Listing Rule 7.1

Listing Rule 7.1 places certain restrictions on the extent to which a listed company may issue certain securities, including options. The effect is that shareholder approval is required before the company may issue securities representing more than 15% of the capital of the company within a 12 month period. However, certain issues are exempt from the restrictions of Listing Rule 7.1 and are effectively disregarded for the purposes of determining the number of securities which a company may issue within a 12 month period.

Exempt issues include an issue of securities to persons participating in an employee incentive scheme where shareholders have approved the issue of securities under the scheme as an exemption from Listing Rule 7.1. Shareholder approval must be given in a general meeting held not more than 3 years before the date of issue when the notice of meeting contains or is accompanied by certain prescribed information (set out below) (Exception 9 of Listing Rule 7.2).

In order to take advantage of the exemption from Listing Rule 7.1 and allow the Company flexibility to issue securities, shareholders are requested to approve the issue of securities under the Plan as an exemption from Listing Rule 7.1. This approval will be effective for a period of 3 years from the date of the Resolution. It should be noted that Resolution 3 does not approve the issue of any Scheme Options to any Director of the Company. Scheme Options cannot be granted to Directors or associates of the Company unless prior approval of shareholders is obtained in accordance with the Listing Rules.

The main purposes of the Scheme is to give an additional incentive to Directors, employees and consultants of the Company to provide dedicated and ongoing commitment and effort to the Company, and for the Company to reward its Directors, employees and consultants for their efforts.

If plan options are exercised, it will have the effect of increasing the Company's cash position by the amount of the exercise price multiplied by the number of options exercised. It will also increase the number of Shares that are on issue by the number of options exercised.

Shares issued pursuant to the exercise of Scheme Options will rank pari passu in all respects with the Company's existing Shares.

Application will not be made for official quotation on the ASX of the Scheme Options.

In accordance with Exception 9 of Listing Rule 7.2, Shareholders are provided with the following information.

A summary of the significant terms of the Employee Incentive Scheme follows:

- (a) The maximum number of Plan Options that can be issued under the Plan is that number which equals 5% of the then current number of Shares on issue.
- (b) Directors, employees and consultants of the Company will be eligible to participate in the Scheme. Subject to the Listing Rules, the Board of Directors shall determine the number of Scheme Options (if any) to be allocated to the various Directors, employees and consultants of the Company.
- (c) Directors of the Company will be entitled to participate in the Scheme subject to all necessary approvals pursuant to the Corporations Act and the Listing Rules being obtained.
- (d) The issue price of each Scheme Option will be nil.

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- (e) The exercise price of each Scheme Option to be:
- a. 125% of the market value of the Company's Shares on the date on which the options are issued
 - b. 20 cents; or
 - c. any greater price determined by the board.
- Whichever is the greatest.
- (f) Each Scheme Option entitles the Option holder to subscribe for and be allotted one Share.
- (g) All Plan Options have an expiry date determined by the board and at any time between 2 and 5 years after the date of grant of the options.

Options issued under the Scheme since the last shareholders approval of the Scheme was obtained at the Annual General Meeting held 3 November 2006 are as follows:

100,000	\$0.25 options expiring 30 November 2008
500,000	\$0.35 options expiring 23 November 2008
250,000	\$0.45 options expiring 14 February 2009
200,000	\$0.35 options expiring 19 February 2009
100,000	\$0.62 options expiring 30 November 2009
100,000	\$0.75 options expiring 30 November 2009
50,000	\$0.25 options expiring 31 August 2010
100,000	\$0.30 options expiring 11 June 2011

There has been no change to the number or terms of securities to be issued, the mechanism for pricing or payment, or any other material terms of the Scheme since its disclosure in the Company's Prospectus dated 26 March 2004.

4. NON-EXECUTIVE DIRECTOR FEES

It is proposed that the maximum aggregate Non-Executive Directors' fees should be increased from the present level of \$300,000 to \$500,000 per annum. Non-Executive Directors' fees exclude those fees paid to the Managing Director. Directors wish to increase the cap on the aggregate remuneration of Directors to provide capacity going forward for additional members to be appointed to the Board and/or for fees to be increased should that be deemed appropriate.

Current fees for the Non-Executive Directors' are as follows:

Name	Position	Non- Executive Director Fee
Mel Ashton	Non-Executive Chairman	\$75,000
Didier Murcia	Non-Executive Director	<u>\$45,000</u>
Total		\$120,000

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5. GLOSSARY OF TERMS

In this Explanatory Statement:

“ACN”	Australian Company Number
“Gryphon” or “Company”	Gryphon Minerals Limited (ABN 31 107 690 657).
“ASIC”	Australian Securities and Investments Commission.
“ASX”	ASX Limited (ACN 008 624 691)
“ASX Listing Rules” or “Listing Rules”	The Official Listing Rules of ASX as amended from time to time.
“Corporations Act”	Corporations Act 2001 (Commonwealth).
“Director”	A director of Gryphon.
“Meeting”	The Meeting of the Company to be held on 25 November 2009.
“Notice of Meeting”	The notice convening the Meeting, which accompanies this Explanatory Statement.
“Resolutions”	Resolutions in the Notice of Meeting.
“Share”	A fully paid ordinary share in the capital of the Company.
“Shareholder”	The registered holder of a Share in the Company.

ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Statement carefully before deciding how to vote on each Resolution.

Attached to the Notice of Meeting is a proxy form for use by Shareholders. Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a shareholder from attending and voting at the Meeting in person.

Enquiries

All enquiries in relation to the contents of the Notice of Meeting or Explanatory Statement should be directed to the Company’s Managing Director, Mr Steve Parsons or Company Secretary, Mr Brett Dunnachie (telephone: +61 8 9287 4333).

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed:
 - a) send the proxy form by post to Gryphon Minerals Limited, PO Box 536, West Perth, WA 6872;
 - b) deliver the proxy form to the Company's Registered Office – 181 Roberts Road, Subiaco, Western Australia; or
 - c) by facsimile to the Company on facsimile number INT + 61 8 9287 4334,

so that it is received not later than 11.30am (WST) on 23 November 2009.

Proxy forms received later than this time will be invalid.