

Gryphon Minerals (GRY)

Opinion Data

Recommendation	Speculative Buy
Risk Rating	High
Current share price	\$0.29
Market capitalisation (fully diluted)	\$48m

Company Background

Gryphon Minerals (GRY) floated on the ASX in April 2004 as a mineral exploration company with nickel and gold exploration projects in WA. The IPO raised \$3m at \$0.20/share.

In August 2005, GRY entered into a joint venture over the Banfora Gold project in Burkina Faso in West Africa. This has since become the company's flagship project, with GRY now owning 90% of the project, the balance being held by the Burkina Faso government. GRY's tenements overlie Birrimian greenstones, which host almost all of the known gold mineralisation in West Africa, including the nearby Morila, Syama and Tongon projects.

The nickel tenements in Western Australia are currently under review.

Since listing, GRY has raised ~\$41m, primarily through share placements.

Highlights

With the wet season at a close, GRY has recommenced its reverse circulation (RC) and diamond drilling (DD) programs in Burkina Faso. The current program is expected to include 15,000m RC/DD and 25,000m regional (reconnaissance) RAB drilling.

The two dual diamond/RC rigs on site will be targeting high-grade extensions outside of the recently released Nogbele resource (820,000oz from 10.6mt at 2.4g/t). The current resource is based on only two of GRY's target areas; these are the only areas to date that have received any RC/DD drilling. With the program now underway, GRY intends to test a further five high-priority target areas, all within a 15km radius of Nogbele.

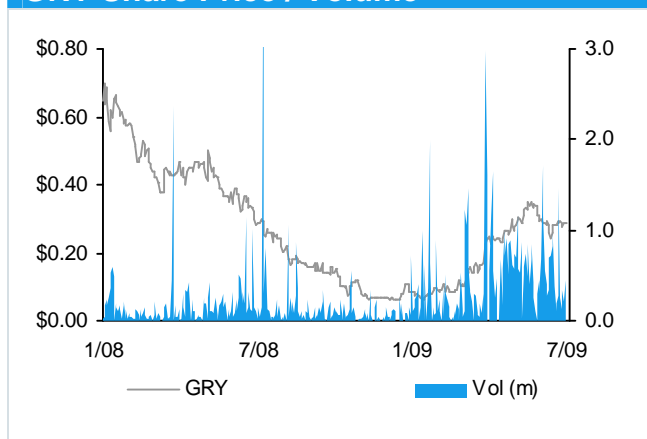
The drilling will include following up on recent rock chip sampling, which produced high-grade samples both along a known major north-west trending structure but also identified a new, parallel, structure. The drill programme will continue to focus on shallow mineralisation (~100 metres vertical depth).

GRY expects to deliver a new resource estimate in the second half of 2009.

GRY took advantage of positive gold price sentiment during the past quarter, raising \$10m (50m shares at \$0.20/share). The funds will be applied towards the aforementioned exploration program, bolstering the funds remaining from the \$10m raised in mid-2008 (25m shares at \$0.40/share).

GRY has signed a Letter of Intent with the International Finance Corporation (IFC). The IFC is preparing to invest A\$2 million in GRY (10m shares at \$0.20/share).

GRY Share Price / Volume



Outlook / Investment View

The recent funding leaves GRY comfortably financed, enabling it to advance its exploration program well into 2010 and allowing it to lift its resource position above the coveted 1moz level. This is around a year later than had initially been indicated, but it reflects the more conservative expenditure rate made necessary by the economic events of mid-late 2008.

GRY remains an attractive exploration play, and one that is now progressing towards an early development play.

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Recommendation Criteria

Investment View

Austock Securities Investment View is based on an absolute 1-year total return equal to capital appreciation plus yield.

Buy	Hold	Sell
> 20%	20% - 5%	< 5%

A Speculative recommendation is when a company has limited experience from which to derive a fundamental investment view.

Risk Rating

Austock Securities Limited has a four tier Risk Rating System consisting of: Very High, High, Medium and Low. The Risk Rating is a subjective rating based on: Management Track Record, Forecasting Risk, Industry Risk and Financial Risk including cash flow analysis.

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