

ASX Announcement and Media Release
Friday, 30th January 2009

Quarterly Report

For the period ending 31 December 2008

Highlights

- **Banfora Gold Project - Burkina Faso, West Africa**
 - Recommencement of RC drilling programme at the Nogbele gold deposit.
 - Drilling will target shallow (<100 meters) high grade gold mineralization outside of the current defined resource estimate.
 - Results from the last field season were extremely encouraging with up to 10m @ 13.0g/t gold intersected in a newly discovered shear zone.
 - Targets include multiple gold lodes 30 kilometres to the north of Randgold's 4.2Moz Tongan Gold Deposit.

- **Sulphide Nickel JV (Minara Resources) - Collurabbie & Mt Rankin, Western Australia**
 - Exploration campaign includes aircore & diamond drilling at the Collurabbie Project.
 - Anomalous nickel, copper and cobalt results require follow up drilling.

Introduction

At the Company's flagship project, the Banfora Gold Project, Burkina Faso - West Africa the Company during the period recommenced reverse circulation drilling (RC) targeting high grade shallow gold mineralization outside of the current defined gold resource estimate (ASX 17/09/07). Results at the end of the last field season were extremely encouraging with up to **10m @ 13.0g/t gold** intersected in fresh rock from 78 meters depth. Mineralization is open along strike and at depth.

During the period drill results were received for aircore and diamond drilling targeting sulphide nickel, copper and PGE's at the highly prospective Collurabbie Project Joint Venture (Minara Resources JV funding 100%) in the North Eastern Goldfields of Western Australia.

During the period the Mr Kent Hunter resigned from the Board of Directors. The Board of Gryphon Minerals Ltd thanked Mr Hunter for his contributions and commitment to the Company over the past four years and wishes him all the best in his future endeavours.

Fast Facts ≈

| | |
|-------------------|----------------|
| Capital Structure | January 2009 |
| Shares on issue | 114 million |
| Market Cap | A\$8 million |
| Cash in bank | A\$5.2 million |

Company Directors & Management

| | |
|-----------------|-------------------|
| Mel Ashton | NonExec Chairman |
| Steve Parsons | Managing Director |
| Didier Murcia | NonExec Director |
| Hamish Halliday | Consultant |
| Michael Fox | Expl. Mgr. Africa |
| Shane Hibbird | Expl. Mgr. Aust |

Top Shareholders include ≈

Management
Genesis Fund
Newmont Mining Corp
Macquarie Bank
Standard Bank
Phoenix Gold Fund
Euroz Securities Limited
Top 40 ≈ 60%

Company Highlights

- Leverage to gold
- Aggressive exploration
 - West African Gold
 - Minara Nickel Alliance
- Big hitting shareholders
- Proven Management team



Banfora Gold Project, West Africa

Maiden Inferred Resource
6.1mt @ 2.1g/t for 410,000oz gold
less than 100 metres depth & open

Recent Results include:

BNRC296: 16m @ 8.95g/t from 32m
BNDD582: 10m @ 13.0g/t from 78m
BNRC630: 12m @ 8.66g/t from 0m

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Corporate Advisor

Mr Tony King
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Banfora Gold Project - Burkina Faso, West Africa

Background

The Banfora Gold Project owned 100% by Gryphon Minerals is located in the south-west of Burkina Faso, West Africa in a major gold producing district, host to such world class gold deposits as Tongon (4.2Moz) Syama (5 Million oz Au mined & 6.5 Million oz Au in resources) and Morila (6.5Moz). The project area contains continuous exploration licenses covering a total of approximately 1150km².

The Company in late 2007 announced a **maiden global inferred resource at the Banfora Project of 6.1Mt @ 2.1g/t for 410,000oz of gold of which the majority is shallow and above 100 meters depth**. The Company views this maiden resource as an **interim estimation with significant potential to define further shallow ounces** from the on-going drilling programmes (Refer to ASX release 17/9/07 for details).

The Project area is easily accessible by road and in close proximity to the town of Banfora. A 100km sealed road connects the town of Banfora to the major city of Bobo Dioulasso and a further 350km to Burkina Faso's capital city Ouagadougou. Grid power is located approximately 30km from the eastern boundary of the project.

Gryphon Minerals is currently targeting gold mineralization within and around the large grano-diorite intrusion known as the Nogbele (Nog-be-lee) Prospect and the Fourkoura (For-korr-a) Prospect located at the intersection of a major shear corridor and a zoned dolerite intrusive.

Within the Project there is a plethora of high magnitude, well defined soil geochemical anomalies that require follow up drill testing. Several of these anomalies are at greater than >250ppb gold and are continuous for over 1,000m, and have received little or no drilling.

Gryphon is now aggressively and systematically RAB drilling all previously untested high priority targets throughout the 1150km² Banfora Gold Project. The first targets drilled include Nangolo, Ouahiri, Samavogo and Muddhi where drill intercepts include 24m @ 2.51g/t from surface, 22m @ 2.72g/t Au from 16m, 15m @ 2.76g/t Au from 12m and 23m @ 4.60g/t Au from 16m. All are open at depth and along strike.

During 2008 the Company has undertaken aggressive reverse circulation, diamond core and RAB drilling programmes at the Banfora Gold Project. The Company believes that drill results to date confirm the potential for the Banfora Gold Project to host world class gold mineralization similar to other major deposits in West Africa.

Activities during the December Quarter

During the quarter the Company recommenced Reverse Circulation (RC) drilling after the annual wet season at the Company's flagship Banfora Gold Project in Burkina Faso - West Africa.

Drilling will target **shallow high grade gold** mineralisation (~100 meters vertical depth) outside of the current defined resource estimate at the Nogbele gold deposit (Refer to ASX release 17/8/07 for details).

Gold mineralization at the Nogbele deposit is shear hosted in **multiple gold lodes** with strong to moderate hematite, carbonate, sericite and pyritic alteration within a granodiorite, mafic volcanics and sediments. At the margin of the Nogbele granodiorite a major north-south trending structure continues for 30 kilometres south to Randgold Resources 4.2Moz Tongon gold deposit.

The drilling will follow up on previous drill results where mineralisation remains **open** at depth and along strike. Previous drill results included **10m @ 13g/t** from 78m, **12m @ 8.66g/t** from surface, **26m @ 2.70g/t** from 24m gold.

All drill results from this programme will be made available at the earliest opportunity.

The Company believes that drill results released to date confirm the potential for the Banfora Gold Project to host world class gold mineralization similar to other major deposits in West Africa.

Minara Resources Ltd (ASX code: MRE) - Gryphon Minerals Joint Venture

Major nickel producer Minara Resources Ltd (Minara) has entered into Farm in and Joint Venture (JV) agreements with Gryphon to primarily explore for sulphide nickel mineralisation on Gryphon's Collurabbie and Mount Rankin Projects, located in two highly prospective nickel regions of **Western Australia**.

Minara must sole fund \$5,500,000 in exploration over 4 years to earn 70% equity in nickel and base metal minerals and 60% on all other commodities with minimum expenditure of \$1,500,000 required within the first year and \$750,000 in the second year before they can withdraw. No equity in the project is earned by Minara until the \$5,500,000 exploration funding has been spent. **Gryphon is the manager and operator** of the project until a decision to mine has been made.

Collurabbie Project (Minara Joint Venture)

The Collurabbie project covers approximately 270km² and hosts both the Northern and the Southern extensions of the sequence of ultramafic and mafic rock types that host the mineralisation at the Collurabbie Joint Venture Nickel Discovery (BHP-Falcon Minerals).

Activities during the December Quarter

The Joint Venture undertook diamond drill (CBDD002) testing of a discrete coincident ground electro-magnetic and aeromagnetic anomaly approximately 300 meters in strike length and at approximately 200 meters vertical depth. The drill hole terminated at 299.7m after drilling the target zone as planned. Sulphidic amphibolites and granitoids were intersected which explain the MLEM anomaly. No anomalous nickel was intersected.

A regional reconnaissance air-core drilling programme (54 drill holes for 2,148m) was completed in late 2008 targeting areas of anomalous nickel in soil geochemistry.

Prospective rock types intersected included komatiitic ultramafics, mafics and sediments. Several holes returned anomalous nickel and copper results including 4m @ 0.75%Ni from 36 metres, 23m @ 0.64%Ni from 20m as well as Cobalt of up to 8m @ 1800ppm from 28 meters. Follow up air-core and RC/Diamond drilling will be required to test the nickel sulphide potential of this anomalous area.

A detailed regolith and geological mapping study was also completed to assist in interpreting geochemical data collected during 2008.

Mount Rankin Project (Minara Joint Venture)

The Mount Rankin Project covers approximately 400km² and contains highly prospective and previously untested ultramafic units that are interpreted to be the same or similar units that continue south to the Forresteria region that host Western Areas Flying Fox nickel deposits.

Activities during the December Quarter

During the period no exploration work was undertaken.

Mt Isa Project - Uranium

Gryphon Minerals **90% owned** Hamilton River and Cat Creek Uranium Projects (660km²) are unexplored and are highly prospective for channel and calcrete style uranium mineralization in the Mount Isa District of Queensland. The Hamilton River Project secures in excess of 60km strike length of prospective channels while the Cat Creek Project contains a significant 200 square kilometre untested surficial uranium radiometric anomaly.

Activities for the December Quarter

During the period no exploration work was undertaken.

Mount Windarra Project - Nickel Sulphide

Gryphon Minerals' **100% owned** Mount Windarra project is located only a few hundred metres from Poseidon's, famous 1960's Mount Windarra nickel discovery and mining operation. The project area contains ultramafic units interpreted to be the basal Mount Windarra ultramafic unit that hosts Poseidon's Mount Windarra and Woodline Well nickel deposits. These deposits produced in excess of 85,000 Tonnes of nickel.

Initial reconnaissance RAB drilling by Gryphon Minerals intersected anomalous nickel values up to 15m @ 0.53% nickel. Deeper testing revealed broad zones of disseminated sulphides (though sub economic). Further reconnaissance drilling to the north intersected ultramafic rock types, which has tripled the strike length of the prospective basal unit to three kilometres.

With the tripling of the prospective basal ultramafic sequence and the discovery of broad zones of disseminated sulphides in relatively close proximity to the historic Mount Windarra nickel mine, Gryphon Minerals is encouraged by the potential to discover economic nickel sulphide mineralisation within the project area.

Activities during the December Quarter

No exploration was undertaken during the quarter.

Radio Project - Gold

The Radio Project (500km²) is an advanced high-grade gold project located in the Bullfinch region of Southern Cross, Western Australia. Gryphon Minerals owns the majority of the project area 100% including the historical Radio gold mine.

The project area abuts the +1 million ounce Copperhead gold mine and contains the Radio gold mine, which historically produced over **71,000 ounces of gold at 38.5g/t**. The project area is highly prospective for large tonnage multi-million ounce gold deposits as well as smaller high-grade gold deposits.

Activities for the December Quarter

A small RAB drill programme was completed to test a soil geochemical anomaly. Results are pending.

West Bending Project - Nickel, Cobalt, Copper, PGE's, Iron (100%)

The West Bending Project hosts a large **40km x 8km**, under explored layered ultramafic intrusion along a major geological province boundary in the South West region of Western Australia.

The intrusion is "layered" with ultramafic, mafic and gabbroic horizons that are prospective for sulphide nickel, cobalt, copper, Iron and Platinum Group Elements (PGE's). Limited historical drilling has intersected shallow mineralized horizons of up to **1m @ 0.85% Nickel** and **1.7m at 0.45% Copper**. Surface rock chip sampling along strike from the drilling has returned results from two sites of up to **57.8% Iron** (site 1) and **0.37% Nickel & 46.0% Iron** (site 2) in massive coarse grained magnetite and gossanous rocks.

Comparisons can also be made with the tectonic setting of the West Bending Intrusion and that of the Voisey Bay Ni-Cu-PGE deposit located along the tectonised Nain Province-Churchill Province boundary, Canada and the Lac Des Iles Complex (PGE's) proximal to the tectonised boundary between the Wabigoon Province (granitoid-greenstone) and the Quetico Province (high grade gneiss) and the Wyoming Uplift that hosts the major nickel and PGE deposits of the Stillwater Complex in the USA

Activities for the December Quarter

Gryphon Minerals is currently reviewing and interpreting historical data.

Project Generation

During the quarter Gryphon Minerals continued to identify and review additional mineral exploration projects both in Australia and West Africa, which may offer value enhancing opportunities to Shareholders.

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

Yours faithfully



Steve Parsons
Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Mr Stephen Parsons, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Stephen Parsons is a full-time employee of the company. Mr Stephen Parsons has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stephen Parsons consent to their inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

| |
|--------------------------|
| GRYPHON MINERALS LIMITED |
|--------------------------|

ABN

| |
|----------------|
| 31 107 690 657 |
|----------------|

Quarter ended ("current quarter")

| |
|------------------|
| 31 December 2008 |
|------------------|

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for: | | |
| (a) exploration and evaluation | (1,110) | (2,887) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (563) | (1,033) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 67 | 190 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other – Joint Venture funds received | - | 820 |
| Net Operating Cash Flows | (1,606) | (2,910) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a)prospects | - | - |
| (b)equity investments | - | - |
| (c) other fixed assets | - | (23) |
| 1.9 Proceeds from sale of: | | |
| (a)prospects | - | - |
| (b)equity investments | - | - |
| (c)other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (provide details if material) | - | - |
| Net investing cash flows | - | (23) |
| 1.13 Total operating and investing cash flows (carried forward) | (1,606) | (2,933) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|---------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (1,606) | (2,933) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | - |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Cost of issuing shares | - | - |
| | Net financing cash flows | - | - |
| | Net increase (decrease) in cash held | (1,606) | (2,933) |
| 1.20 | Cash at beginning of quarter/year to date | 6,775 | 8,102 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 5,169 | 5,169 |

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 180 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

| | |
|--|-----|
| Payments to Directors | |
| Salaries, Fees and Superannuation | 116 |
| Payments to Director related entities | |
| MPH Lawyers (Legal Services) | 4 |
| 181 Roberts Road Syndicate (Rent for Premises) | 60 |

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

| |
|------|
| Nil. |
|------|

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

| |
|------|
| Nil. |
|------|

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 728 |
| 4.2 Development | - |
| Total | 728 |

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 689 | 1,836 |
| 5.2 Deposits at call | 4,480 | 4,939 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 5,169 | 6,775 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|---|--|----------------------------------|--|----------------------------------|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed | E39/984 | | 100% | - |
| 6.2 Interests in mining tenements acquired or increased | E39/1348 E39/1349 E08/1588 EPM15683 | | - - - - | 100% 100% 100% 100% |
| | | | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter


Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|--------------|---------------|---|--|
| 7.1 Preference securities (description) | - | - | | |
| 7.2 Changes during quarter | | | | |
| (a) Increases through issues | - | - | - | - |
| (b) Decreases through returns of capital, buy-backs, redemptions | - | - | - | - |
| 7.3 +Ordinary securities | 114,689,098 | 114,689,098 | | |
| 7.4 Changes during quarter | | | | |
| (a) Increases through issues | - | - | - | - |
| (b) Decreases through returns of capital, buy-backs | - | - | - | - |
| 7.5 +Convertible debt securities (description) | - | - | - | - |
| 7.6 Changes during quarter | | | | |
| (a) Increases through issues | - | - | - | - |
| (b) Decreases through securities matured, converted | - | - | - | - |
| 7.7 Options (description and conversion factor) | | | <i>Exercise price</i> | <i>Expiry date</i> |
| | 250,000 | - | 45.0 cents | 19 February 2009 |
| | 200,000 | - | 35.0 cents | 19 February 2009 |
| | 550,000 | - | 33.0 cents | 30 March 2009 |
| | 100,000 | - | 40.0 cents | 27 July 2009 |
| | 2,700,000 | - | 62.0 cents | 30 November 2009 |
| | 2,700,000 | - | 75.0 cents | 30 November 2009 |
| | 50,000 | - | 25.0 cents | 31 August 2010 |
| 7.8 Issued during quarter | 50,000 | - | 25.0 cents | 31 August 2010 |
| 7.9 Exercised during quarter | - | - | - | - |
| 7.10 Expired during quarter | | | | |
| | 4,000,000 | - | 35.0 cents | 30 November 2008 |
| | 500,000 | - | 35.0 cents | 23 November 2008 |
| | 12,364,346 | - | 40.0 cents | 31 December 2008 |
| 7.11 Debentures (totals only) | - | - | | |
| 7.12 Unsecured notes (totals only) | - | - | | |

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30/01/09
(Company secretary)

Print name: Brett Dunnachie

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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