

ASX Announcement and Media Release
Thursday, 30th October 2008

Quarterly Report For the period ending 30 September 2008

Highlights

- **Banfora Gold Project - Burkina Faso, West Africa**
 - Annual seasonal rains in West Africa allowed the Company to focus on geological and structural interpretations and planning of drilling and exploration programmes for the upcoming field season.
 - The upcoming drilling will target shallow (< 100 meters) high grade gold mineralisation outside of the current defined resource estimate. 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.

- **Sulphide Nickel JV (Minara Resources) - Collurabbie & Mt Rankin, Western Australia**
 - Ongoing exploration campaign includes reverse circulation and diamond drilling at Mt Rankin and Collurabbie Projects.
 - Drill testing of ground electro-magnetic target at the Collurabbie project.

Introduction

At the Company's flagship project, the **Banfora Gold Project, Burkina Faso - West Africa** the Company during the period paused its drill programme due to the annual seasonal rains. During this time the Company focused on geological and structural interpretations and planning of drilling and exploration programmes for the next field season.

The Company intends to commence reverse circulation drilling (RC) in the coming weeks 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 the Company continued the exploration programmes targeting sulphide nickel, copper and PGE's at the highly prospective Collurabbie Project Joint Venture (Minara Resources JV) in the North Eastern Goldfields of Western Australia. The exploration campaign included Aircore drilling of geochemical anomalies and Diamond drill testing of a discrete ground electro-magnetic target.

Fast Facts ≈

Capital Structure	September 2008
Shares on issue	115 million
Market Cap	A\$8 million
Cash in bank	A\$6.8 million

Company Directors & Management

Mel Ashton	Chairman
Steve Parsons	Managing Director
Didier Murcia	Non-Exec Director
Kent Hunter	Non-Exec Director
Hamish Halliday	Consultant
Michael Fox	Expl. Mgr. Africa
Shane Hibbird	Expl. Mgr. Aust

Top Shareholders ≈

Management
Newmont Mining Corp
Macquarie Bank
Contango Fund
Phoenix Gold Fund
Standard Bank
Euroz Securities Limited
Top 40 ≈ 70%

Company Highlights

- Proven & experienced management team
- Aggressive exploration
 - West African Gold
 - Australian Nickel / Gold
- Nickel alliance Minara Resources
- Big hitting shareholders
- Leverage to gold



Banfora Gold Project, West Africa

Maiden Inferred Resource
6.1mt @ 2.1g/t for 410,000oz gold

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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Banfora Gold Project - Burkina Faso, West Africa

Background

The Banfora Gold Project owned 100% by Gryphon Minerals (subject to government approvals) 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 September Quarter

During the quarter the Company paused its drilling program due to the annual wet season in West Africa. During the period the company reviewed previous drill results and geological interpretations as well as planning for the upcoming exploration programmes.

Drilling is expected to recommence in the coming weeks and will target further shallow resource definition and new high grade targets at the Nogbele Prospect as well as targeting several high priority new and previously untested regional soil geochemical anomalies at the Company's flagship Banfora Gold Project in Burkina Faso - West Africa.

The Company is currently targeting shallow (\approx 100 meters) gold mineralization with this RC drill programme. Recent drill intercepts from Nogbele have included **10m @ 13.0g/t Au** from 78 meters and **12m @ 8.66g/t Au** from surface.

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

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 September Quarter

During the period the Joint Venture undertook diamond drill testing of a discrete coincident ground electro-magnetic and aeromagnetic anomaly. The bedrock conductor is approximately 300 meters in strike length and is intersecting the target at approximately 200 meters vertical depth. Down hole electromagnetic surveying will be completed if massive or semi-massive sulphides are intersected.

A regional aircore drilling programme was recently completed targeting areas of anomalous nickel in soil geochemistry. Prospective rock types intersected included komatiitic ultramafics, mafics and sediments.

Results will be made available at the earliest opportunity.

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 Forrestania region that host Western Areas Flying Fox nickel deposits.

Activities during the September Quarter

During the period no exploration work was undertaken.

The Company is anticipating RC and diamond drilling programmes, to follow up on the recent results as well as several untested electro-magnetic conductors during the upcoming quarter. Results will be made available at the earliest opportunity.

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 September 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 September 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 September Quarter

No exploration work was undertaken during the period.

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 September 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")

30 September 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 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	(1,777)	(1,777)
(b) development	-	-
(c) production	-	-
(d) administration	(470)	(470)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	123	123
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Joint Venture funds received	820	820
Net Operating Cash Flows	(1,304)	(1,304)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(23)	(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)	(23)
1.13 Total operating and investing cash flows (carried forward)	(1,327)	(1,327)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,327)	(1,327)
	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	(1,327)	(1,327)
1.20	Cash at beginning of quarter/year to date	8,102	8,102
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,775	6,775

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	132
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	110
Payments to Director related entities	
MPH Lawyers (Legal Services)	4
181 Roberts Road Syndicate (Rent for Premises)	18

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.

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

	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	1,666
4.2 Development	-
Total	1,666

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	1,836	1,663
5.2 Deposits at call	4,939	6,439
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6,775	8,102

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	Nil.		
6.2	Interests in mining tenements acquired or increased	Nil.		

+ 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>
	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
	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
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
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: 30/10/08
(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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