

ASX Announcement and Media Release
Friday, 30th July 2010

Quarterly Report

For the period ending 30 June 2010

Highlights

■ Banfora Gold Project - Burkina Faso, West Africa

- Ongoing Exploration (with further results still pending) includes:
 - **Significant gold mineralisation intersected at the new Samavogo "satellite" target. Initial results from the first 2.5km of the 12km structural target include 8m @ 4.34g/t, 12m @ 2.64g/t & 4m @ 8.24g/t gold**
 - **Discovery of multiple shallow zones of gold mineralisation within the new Ouahiri regional shear zone. Initial results from 10km portion of include 15m @ 5.09g/t, 17m @ 2.55g/t & 4m @ 11.54g/t gold. This major structural target remains untested for a further 20km**
 - Ongoing step out and infill drilling at the Nogbele & Fourkoura deposits, targeting shallow gold mineralisation (<100 meters depth)
 - Initial drilling below the current defined resources to 150m depth is currently in progress with results pending
 - Regional mapping, soil geochemical sampling & trenching over the majority of the untested 1,200km² project area continues

■ Corporate

- On 30 June 2010, Gryphon announced a recommended takeover offer for ASX listed Shield Mining Limited, on the basis of one (1) Gryphon share for every (3) Shield shares. Gryphon is also offering to acquire Shields 21.3m 20 cent August 2011 options on a basis of one (1) Gryphon share for every eleven (11) 20 cent August 2011 options.
- Renaissance Minerals Limited listed successfully on the ASX on 11 June 2010. Gryphon holds 10,000,000 fully paid ordinary shares in Renaissance, representing approximately 16.5% interest.
- **Current cash position of approximately \$19.5 million.**
- The Company presented at the Macquarie Bank 'Gold Rush' Forum and recently completed an international investor road show focusing on Australia, Europe and North America.

Fast Facts ≈

Capital Structure	30 July 2010
Shares on issue	216 million
Market Cap	A\$160 million
Cash in bank	A\$19.5 million (as at Jun 10 Qtly)

Company Directors & Management

Mel Ashton	NonExec Chairman
Steve Parsons	Managing Director
Didier Murcia	Non-Exec Dir
Steve Zaninovich	Non-Exec Dir

Mathew Bowles	Chief Dev. Officer
Hamish Halliday	Consultant
Michael Fox	Expl. Mgr. Africa

Top Shareholders ≈

Management
IFC (World Bank Group)
Macquarie Bank
Genesis Fund
Baker Steel
Phoenix Gold Fund
Other Aust & Intl Institutions
Top 40 ≈75%

Company Highlights

- New +Million oz gold discovery
- Aggressive exploration
- Big hitting shareholders
- Proven Management team
- '2009 Explorer of the Year', Gold Mining Journal



Banfora Gold Project, West Africa

Inferred Resource
14Mt @ 2.4g/t for 1,100,000oz gold
less than 100 metres depth & open

Recent Results include:

BNRC0988: 17m @ 9.2g/t from 16m
BNRC823: 24m @ 4.75g/t fr 23m
BNR630: 12m @ 8.66g/t fr 0m

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Introduction

Operations

In late 2009 Gryphon was pleased to announce a major milestone by reaching over 1 million ounces of gold at the at the Company's flagship Banfora Gold Project in Burkina Faso, West Africa. The Company views this resource as an interim estimation with significant potential to define further shallow ounces from the on-going drilling programmes. The Company is **anticipating a new resource estimate in the coming months at the Banfora Gold Project.**

The Company has an ongoing RC/DD drilling campaign **targeting shallow high grade gold mineralisation** (~100 meters vertical depth) outside of the current defined resource estimate at Nogbele and Fourkoura.

Maiden RC and reconnaissance RAB drill results from the first of several high priority target areas within close proximity of the Nogbele deposit has intersected significant shallow gold mineralisation at Samavogo and Ouahiri.

The new 'Samavogo' satellite target is located approximately 20kms to the north east of Nogbele with initial results including **8m @ 4.34g/t, 4m @ 8.24g/g & 12m @ 2.64g/t gold.** Importantly, all drilling intersected **shallow mineralisation less than 50m** vertical depth in parallel multiple zones and remains open along strike and down dip. These exciting results are from only the first 2.5kms of a major structural target that **continue untested for a further 12km.** Drilling is targeting extensional zones along the margins of the intrusive in a similar geological setting to Randgold's 4.2Moz Tongon deposit located approximately 30kms to the south. The remaining 12kms will be tested by the ongoing drilling programmes over the coming months.

At **Ouahiri**, located just 5kms to the west of Nogbele, **significant shallow gold mineralisation has been intersected on all RAB and RC traverses across 10km of the major regional shear zone.** The mineralisation is shallow within multiple zones and intercepts include **15m @ 5.09g/t, 17m @ 2.55g/t & 8m @ 2.50g/t Au gold.** The Ouahiri zone trends in a general north-south direction and exhibits a large bend on the margin of a large granitic intrusion. The **remaining 20 kms of the Ouahiri regional shear zone,** along with several untested soil anomalies, will be tested during the ongoing drilling programmes over the coming months.

Samavogo and Ouahiri are the **first of several new targets** to be RC drill tested over the coming months that are outside of the current known resources at the Banfora Gold Project's 1,200km² project area.

The Company has **completed a detailed aeromagnetic survey** on 100 meter line spacing's across the entire project area and is also continuing **regional mapping and soil geochemical sampling programmes** which have highlighted several new and previously untested areas on the Banfora Project. A reconnaissance RAB and Auger drilling programme focussed on these new, previously untested regional targets is planned for the 2nd half of 2010.

Corporate

On 30 June, 2010 Gryphon announced a recommended takeover offer to acquire Shield Mining Limited, on the basis of one (1) Gryphon Share for every three (3) Shield Shares. Gryphon is also offering to acquire all of Shields 21.3m 20 cent August 2011 options on a basis of one (1) Gryphon share for every (11) 20 cent August 2011 options. The offers are unanimously recommended by the Shield Board in the absence of a superior offer.

Shield holds a portfolio of prospective exploration assets in Mauritania, including the Tijirit gold target adjacent to the the Tasisast Gold Mine, the Saboussiri copper/gold target and the Akjoujt copper target near the producing Guelb Moghrein copper gold mine.

As part of the transaction Shields Managing Director Mr David Netherway will join the Board of Gryphon as a non executive director.

The transaction will create a well funded West African focused gold exploration company with a dominant land position of over 3,600km² in two highly prospective areas of Burkina Faso and Mauritania and is part of Gryphons **strategy to become a significant gold exploration and, over time, mining company in West Africa.**



The Company has a current cash position of approximately \$19.5 million.

Renaissance Minerals successfully listed on the ASX on the 11 June, after raising \$6m and capitalising the company at \$11m. Following the divestment of Gryphons Australian gold and nickel assets, Gryphon holds 10,000,000 shares in Renaissance representing approximately 16.5% interest.

Gryphon recently presented at Macquarie Banks annual Gold Rush Forum and completed an international investor road show focusing on Australia, Europe and North America.

We are encouraged by the discovery of major new gold targets from the first of several targets our regional exploration, that we believe confirms the potential for the Banfora Gold Project to host world class gold mineralization similar to other major deposits in West Africa. **In addition to following up on the regional targets we are looking forward to the new resource estimate anticipated in the coming months, and continuing to unlock value for all shareholders.**

Banfora Gold Project - Burkina Faso, West Africa

Background

The Banfora Gold Project 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 **Randgold's Tongon** (4.2Moz), **Resolute's Syama** (5 Million oz Au mined & 6.5 Million oz Au in resources) and **Randgold/Anglo Ashanti's Morila** (6.5Moz).

The project is **owned 100% by Gryphon Minerals** and contains continuous exploration licenses covering approximately 1150km² of a major gold district. The project is easily accessible by road and in close proximity to the town of Banfora and the major city of Bobo Dioulasso. Grid power is located approximately 30km from the eastern boundary of the project.

The Company recently announced an inferred resource at the Banfora Project of **14Mt @ 2.4g/t for 1,100,000 oz** of gold of which the **majority is shallow and above 100 meters depth**. The Company views this resource as an interim estimation with significant potential to define further shallow ounces from the on-going drilling programmes (Refer to ASX release 21/9/09 for details).

A major shear zone on the western margin of the Nogbele granodiorite continues south for **30 kms to Randgold's world class 4.2 Million ounce Tongan gold deposit**.

Regionally within the 1200km² project area there remain numerous untested high priority targets. Gryphon has commenced systematically drill testing a large proportion of new regional targets that include Nangolo, Ouahiri, Samavogo and Muddhi Prospects. All have intercepted significant gold mineralization and which are open at depth and along strike.

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 June Quarter

Ongoing resource "step out" and "infill" drilling, satellite target drilling and regional soil sampling

The Company is undertaking an ongoing RC/DD drilling programme over the coming months which will continue to target shallow high grade gold mineralisation (~100 meters vertical depth) as well as initial deeper drilling testing mineralisation to 150 meters depth outside of the current defined resource estimate. Gryphon **aims to establish** a multi-million ounce **gold district** by targeting "step-out" mineralization as well as high priority satellite targets at the Banfora Gold project. To date the **total resource estimate is located on only two target areas (Nogbele & Fourkoura)** and these were the only areas to date to have received any RC/DD drilling.

During the quarter the Company received results from the maiden RC drilling programme from Samavogo and Ouahiri both within a 20 kilometre radius of the Nogbele deposit, both intercepting significant shallow gold mineralisation and both becoming major new gold targets.



GRYPHON MINERALS LIMITED

ASX: GRY
www.gryphonminerals.com.au

The new 'Samavogo' satellite target is located approximately 20kms to the north east of Nogbele with initial results including **8m @ 4.34g/t, 4m @ 8.24g/g & 12m @ 2.64g/t gold**. Importantly, all drilling intersected **shallow mineralisation less than 50m** vertical depth in parallel multiple zones and remains open along strike and down dip. These exciting results are from only the first 2.5kms of a major structural target that **continue untested for a further 12km**. Drilling is targeting extensional zones along the margins of the intrusive in a similar geological setting to Randgold's 4.2Moz Tongon deposit located approximately 30kms to the south. The remaining 12kms will be tested by the ongoing drilling programmes over the coming months.

At Ouahiri, located just 5kms to the west of Nogbele, **significant shallow gold mineralisation has been intersected on all RAB and RC holes across 10km of the major regional shear zone**. The mineralisation is shallow within multiple zones and intercepts include **15m @ 5.09g/t, 17m @ 2.55g/t & 8m @ 2.50g/t Au gold**. The Ouahiri zone trends in a general north-south direction and exhibits a large bend on the margin of a large granitic intrusion. The **remaining 20 kms of the Ouahiri regional shear zone**, along with several untested soil anomalies, will be tested during the ongoing drilling programmes over the coming months.

The Company completed a detailed aeromagnetic survey across the entire Project area which is now being reviewed and processed ready for further target generation. The exploration team is continuing with a detailed regional mapping, soil geochemical sampling and targeting programmes that has already highlighted several new and previously untested areas on the Banfora Project. It is anticipated that a reconnaissance RAB drilling programme focussed on the **new, previously untested regional targets** will be undertaken over the coming months.

All results pending from this exciting phase exploration at the Banfora Gold project will be made available at the earliest opportunity.

Australian Projects

Gryphon completed the divestment of some of its Australian gold and nickel assets to newly-formed gold exploration company Renaissance Minerals Ltd (ASX:RNS).

Renaissance successfully listed on the ASX on 11th June and Gryphon now holds 10,000,000 fully paid ordinary shares representing approximately 16.5% interest.

Australian Projects owned 100% by Gryphon Minerals which have not been divested to Renaissance Minerals Ltd

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

The West Bendering Project hosts a large layered ultramafic intrusion 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.

Activities for the March Quarter

No field exploration was undertaken during the quarter.

Mount Windarra Project - Nickel Sulphide (100%)

Gryphon Minerals' 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.

Activities during the March Quarter

During the period no field 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 September Quarter

During the period no field exploration work was undertaken.

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

Information in this report from data collection to wireframe interpretation, at Nogbele and Fourkoura Prospects and geostatistical modelling calculations is based on work by Mr Sam Brooks which was reviewed by Mr Michael Fox. Mr Brooks is a full time employee of Gryphon Minerals, and a member of the AIG. Mr Fox is a full time employee of Gryphon Minerals and a member of the AIG with sufficient experience relevant to the style of mineralisation and type of deposit to qualify as competent person defined by the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Fox consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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, 01/06/10.

Name of entity

GRYPHON MINERALS LIMITED

ABN

31 107 690 657

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(3,681)	(11,677)
(b) development	-	-
(c) production	-	-
(d) administration	(778)	(2,828)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	325	744
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(4,134)	(13,761)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(27)	(68)
1.9 Proceeds from sale of: (a) prospects	200	200
(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	173	132
1.13 Total operating and investing cash flows (carried forward)	(3,961)	(13,629)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,961)	(13,629)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	75	22,075
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs of issuing shares	(65)	(1,076)
	Net financing cash flows	10	20,999
	Net increase (decrease) in cash held	(3,951)	7,370
1.20	Cash at beginning of quarter/year to date	23,336	12,015
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	19,385	19,385

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	139
Payments to Director related entities	
Auctor Group Pty Ltd (Rent for Premises)	38
Murcia Pestell Hilliard (Legal fees)	3

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	5,000
4.2 Development	-
4.3 Production	-
4.4 Administration	550
Total	5,550

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	4,385	3,257
5.2 Deposits at call	15,000	20,079
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	19,385	23,336

+ See chapter 19 for defined terms.

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	M77/633	100%	-
		E77/1349	100%	-
		E77/1350	100%	-
		P77/3665	100%	-
		P77/3666	100%	-
		P77/3759	100%	-
		P77/3760	100%	-
		P77/3761	100%	-
		P77/3614	90%	-
		P77/3296	90%	-
		P77/3297	90%	-
		L77/81	100%	-
		E28/1850	100%	-
		E28/1852	100%	-
		E28/1587	100%	-
		E28/1756	100%	-
		E28/1757	100%	-
		E28/1759	100%	-
		E38/1757	100%	-
		E77/1289	100%	-
		E77/1234	100%	-
		E77/1454	100%	-
		E70/2741	100%	-
P77/3444	100%	-		
P77/3445	100%	-		
6.2	Interests in mining tenements acquired or increased	Nil		

+ See chapter 19 for defined terms.

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 <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	216,231,598	216,231,598		
7.4 Changes during quarter				
(a) Increases through issues	202,500	202,500	30.0 cents	30.0 cents
(b) Decreases through returns of capital, buy-backs	40,000	40,000	35.0 cents	35.0 cents
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	3,875,000	-	<i>Exercise price</i> 30.0 cents	<i>Expiry date</i> 11 June 2011
	3,937,500	-	35.0 cents	11 June 2011
	50,000	-	25.0 cents	31 August 2010
	300,000	-	48.0 cents	16 October 2011
	100,000	-	69.0 cents	1 April 2012
7.8 Issued during quarter	100,000	-	69.0 cents	1 April 2012
7.9 Exercised during quarter	202,500	-	30.0 cents	11 June 2011
	40,000	-	35.0 cents	11 June 2011
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.12	Unsecured notes (<i>totals only</i>)	-	-
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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 July 2010
(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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+ See chapter 19 for defined terms.