

Gryphon set to resume trading

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PERTH junior Gryphon Minerals is expected to come out of its trading halt in the next few days after raising about \$10 million to fund exploration of its African assets.

The capital raising success will add to the growing interest in the gold junior, which has attracted the attention of researchers at three or more broking houses despite its lowly market capitalisation of just \$40 million.

The money is believed to have been raised through Euroz Securities and has led to the introduction of at least one new institution to the company's share register.

Gryphon can already count Newmont Mining, Macquarie Bank and Standard Bank as major shareholders.

Management accounts for ownership of about 15 per cent of all shares on issue.

Market rumours suggest that Gryphon has also attracted the interest of Consolidated Press Holdings, although it is unclear if CPH has bought any stock.

It is unclear at what share price Euroz completed the capital raising, but Gryphon has been successful in raising money at a premium to the share price in the past and the current capital raising was well oversubscribed.

Gryphon's key focus is in the west African nation of Burkina Fasso, where it has a 90 per cent stake in the Banfora gold project near the border of Ivory Coast.

In September, Gryphon released its maiden resource statement for the project of 6.1 million tonnes grading 2.1 per cent grams of gold per tonne.

That equates to 410,000 ounces, all of which are in the inferred category and most coming from the Nogbele prospect.

Gryphon will use the funds raised to further drill the Banfora project, which is yet to be tested fully at depths greater than 100m.

The current drill program will cover about 80,000m of mostly reverse circulation resource definition drilling.

Market watchers expect Gryphon to deliver an improved JORC resource of about 700,000 ounces by July/August before hitting the 1 million ounce mark later this year or early next year.

A recent research report by Euroz on Gryphon suggested it was too early to value the company, but if 1 million ounces could be defined at Banfora, then a market capitalisation of up to \$80 million was possible.

Austock Securities analysts said that while the primary goal of the current drilling at Banfora was to expand the shallow oxide resource base, Gryphon also wanted to test for deeper sulphide mineralisation through diamond drilling.

Gryphon shares were worth 46c each before the company was put in a trading halt on Friday.