

## Faith in African name Resources

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THE name of the small West African nation Burkina Faso translates into English as "the land of incorruptible men".

It's a piece of trivia that Gryphon Minerals boss Steve Parsons likes to share with potential investors when briefing them on the aspiring miner's Banfora gold project in the former French colony.

As the man charged with turning Gryphon's flagship resource into a working mine by the end of next year, Parsons admits that breaking down Australian misconceptions about Africa is one of his biggest challenges.

He's quick to point out that when it comes to investing in the Dark Continent, Burkina Faso is about as safe a bet as it gets.

"There's a very French feel about it," New Zealand-born, Perth-based Parsons told BusinessDaily.

"You can walk down the main street of the capital city, Ouagadougou, at midnight and it's full of families and kids.

"They're all going for al fresco dinners and having a glass of Beaujolais. It's like Paris in the summer."

This week, Gryphon doubled the JORC resource estimate at Banfora, situated in southwest Burkina Faso, to 10.6 million tonnes grading 2.4 grams of gold per tonne -- equivalent to 820,000 ounces of gold.

The news sent Gryphon shares up 2 yesterday to 24.5 -- the highest level since the peak of the resources boom in July last year.

The company, which has a market capitalisation of about \$28 million, is now working on providing a further resource upgrade on August 1.

Unlike many of its competitors, the junior explorer has about \$5 million in the bank -- meaning it is in a good position to push ahead with the drilling program at Banfora despite the scarcity of ready capital caused by the global financial crisis.

Gryphon -- whose shareholders include Macquarie Bank, US gold giant Newmont Mining and South Africa's Standard Bank -- is hoping to start a feasibility study by the end of the year, with a view to pouring its first gold by the end of 2010.

Parsons is aiming to raise further capital to fund the project before Christmas.

And despite the obvious difficulties of sourcing cash in the middle of a global recession, he's confident investors will come to the party due to gold's status as a safe haven.

"Twelve months ago it would have been a problem to raise the money, but these days it shouldn't be a problem if you're getting a gold project into production," Parsons said.

Banfora is expected to produce about 50,000 ounces of gold annually at a cost of \$US200 an ounce.