

Gryphon tucks Mauritania under its wing



Gryphon is a company driven by geologists, which becomes quite apparent to anyone who has visited the Banfora project in Burkina Faso. One of those who has been with Gryphon for the long haul is Sammoussi Bilioun, a geologist employed by consultants SEMS. He has been assisting work at Banfora for the past four years. This picture was taken at Gryphon's Niankorodougou exploration base in April this year

Gryphon Minerals Ltd has taken to West Africa in a big way. With more than a million ounces of gold in the bag at its Banfora project in Burkina Faso, the company has now executed a friendly takeover of Mauritanian player, Shield Mining Ltd.

During a site visit to Banfora during April, managing director Steve Parsons told an investor/analyst tour that an acquisition in West Africa was likely (**Paydirt**, July 2010) and one might have assumed he was referring to something in Ivory Coast, Ghana or Mali.

However, what tempted Gryphon was Shield's three promising exploration projects at Tijirit (gold), Akjouit and Saboussiri (copper gold), spread across the length of Mauritania.

The Tijirit project abuts Canadian Redback Mining Inc's Tasiast gold project 35km to the north-west and takes in what Gryphon describes as 1,400sq km of "highly prospective and underexplored tenure" with walk-up drill targets ready for the next round.

In pointing out the synergies of merging the

companies, Parsons says the combined entity would create a well-funded West African focussed gold exploration company. The new Gryphon will hold a "dominant and strategic land position over 3,600sq km of ground in two highly prospective but underexplored regions".

"A combined cash position of about \$23 million enables aggressive exploration," Parsons adds.

Gryphon's 1-for-3 scrip bid will include a 1-for-11 offer for 21.3 million Shield options with a strike price of 20c, valuing Shield at 27.2c/share. As part of the deal, Shield's chief executive David Netherway will join Gryphon's board as a non-executive.

Gryphon says the share offer represents a 35.8% premium to Shield's closing price and is unanimously supported by Shield's board.

Apart from the drill ready targets in Mauritania, Gryphon, through this transaction will secure an established base and relationships in Mauritania, including an exploration office

in capital city Nouakchott.

"This acquisition delivers a potential pipeline of new opportunities in another West African country and fits with our strategy to build an important gold company in the region," said Parsons.

Netherway said Gryphon was well resourced with highly competent people and funds to accelerate exploration and the potential development of new mines in Mauritania and elsewhere. "I've visited Gryphon's Banfora in Burkina Faso as part of our due diligence and am impressed with the prospectivity and their approach to exploration," he said.

"I think the combination makes excellent sense in starting to create a truly West African gold company and I look forward to becoming a non-executive director of a highly successful gold exploration company and help it turn into a gold producer."

– Barry Avery