

**GRYPHON MINERALS****GOLD PRICE ACTIVATES WEST AFRICAN PROJECT**

While the economic slowdown has affected a wide range of companies with fledgling resource projects, for some it has simply been a case of being patient.

**B**URKINA FASO explorer Gryphon Minerals is one company that has kept its head down while waiting for the worst of the global economic crisis to wash over.

The company's 100%-owned Banfora gold project is located in the southwest of Burkina Faso, west Africa, in a major gold-producing district.

"We had a quiet time last year as the whole world was falling in a heap," Gryphon managing director Steve Parsons told *RESOURCESTOCKS*. "The company battened down the hatches like everyone else, but around Christmas time we realised we needed to get back to work.

"We believed we had survived the worst of it and the gold price was going up and we still had some money in the kitty, so on January 1 this year we had a couple of drill rigs onsite and followed on from what we were doing a year ago."

A number of diamond drillholes in about 100 metres of shallow rock at Banfora proved the right tonic, immediately revealing northwest trends with some excellent grades. The company had been targeting east-west trends but, on the basis of the new drill results, decided to switch to northwest and the move paid off.

"We stepped out along strike 50 metres and got some really good results again, so we stepped out another 50 metres and realised these northwesterners were really important. We've now identified four of them, all within a space of about a couple of kilometres and parallel to each other," Parsons said.

"One of them is about 500 metres along, another about a kilometre and the others are about 100 metres.

"This allowed us to upgrade the resource to 820,000 ounces at about 2.4 grams of gold to the tonne down to 100 metres depth – a 100 per cent increase."

The drilling intercepts included 24m at 4.75gpt gold 500m along strike on the central mineralised zone at the Nogbele deposit, 10m at 13gpt, 24m at 4.6gpt and 16m at 5.6gpt. The zones are shear hosted with little or no quartz veining and strong to moderate haematite, carbonate, sericite and pyritic alteration.

The JORC resource estimate on the Nogbele and Fourkoura deposits is 10.6 million tonnes at 2.4gpt for 820,000oz of gold. Importantly, the majority of the inferred resources – 90% – is shallow and located above 100m in depth.

The resource estimate within the Nogbele prospect incorporates primarily two mineralisation orientations: east-west trending zones

and northwest-southeast trending zones.

The Fourkoura prospect is only 7 kilometres from Nogbele and is located on the intersection of a major shear corridor and a zoned dolerite intrusive. A large historical soil geochemical anomaly extends over 2500m in strike length.

The recent successful results have meant Gryphon has ramped up its exploration program and is currently stepping out these new zones with four drill rigs onsite, three of them testing the zones with 100m step-outs.

The company is hopeful they can be extended, allowing it to announce another resource upgrade in September, which could be in the 1 million ounce range.

The fact that drilling has only been down to 100m to date and the zones are open at depth means deeper drilling could extend the gold mineralisation, although Parsons emphasised that he would wait until 50m of infill drilling had been completed and the best zones had been identified before following the zones down.

Parsons believes the grade will remain high – around 2.5gpt, which is good for west Africa – and that there is plenty of blue sky potential.

With just under 1200 square kilometres of ground in a proven gold region, Gryphon is sitting on property that has barely been walked on.

While Nogbele has the bulk of the resources, the fact is that Gryphon has concentrated on an area of about a 2km radius and has yet to investigate a number of regional targets elsewhere on the project area.

"We've got a lot of regional targets spread out across the property. It's virgin ground," Parsons added.

**"As a junior, we thought we had to start somewhere so we picked the biggest soil anomaly. There's no reason to say it's the best target in the whole property."**

**STEVE PARSONS**  
MANAGING DIRECTOR  
GRYPHON MINERALS

“Last year we took a rotary air blast drill rig out there in a couple of the regional targets and came back with very broad first-pass drilling, including 24m at 2.5 grams of gold to the tonne, 8m at 4.2gpt and 4m at 10gpt. Some very good numbers, but they’re only first-pass drilling and we intend to move a rig from Nogbele to drill the first reverse circulation holes into them.

“What we’re hoping is that these regional targets might come in with some good sniffs and then towards the end of the year we can convert some of them into resource ounces. Nogbele could go from a 1.2 million ounce deposit with the regional targets boosting it to 3-5 million ounces.”

Parsons said the only reason the company had started at Nogbele was because it had the biggest soil anomaly at the time.

“As a junior, we thought we had to start somewhere so we picked the biggest soil anomaly. There’s no reason to say it’s the best target in the whole property.”

Gryphon is confident that the Nogbele deposit is at least 1Moz, while the entire Banfora project could be a multi-million ounce district.

“We’ll be there very soon at 1 million ounces,” Parsons added. “We’re going to keep drilling until the end of the year with the four rigs and then we’ll get an independent in and see what the new resource statement will be.

“We’re hoping that will come out around February and will be up around 1.4-1.5 million ounces.”

A major positive for Banfora is the fact that it is located within a proven gold district.

Randgold’s Tongon project (4.2Moz), Resolute’s Syama project (5Moz mined and 6.5Moz in resources) as well as Anglo/Randgold’s Morila project (6.5Moz) are all located within a 50km radius of Banfora.

The project’s appeal as a future mine is supported by its location. There’s abundant water on the property with an opportunity to build a dam; the township of Banfora and the city of Bobo Diolasso within a one-and-a-half hour drive; a railway nearby; and hydropower just 10km away.

Parsons said the company hadn’t applied for permission to tap into the power grid at this stage, but he didn’t believe it would be too much of an issue.

The final peg in Gryphon’s development program is the



Gryphon’s site team at Burkina Faso

successful raising of \$A10 million through a two-tranche placement, which was finalised in June. This was on top of a letter of intent with the International Finance Corporation, a member of the World Bank Group, to invest \$2 million in the company.

The proposed investment will comprise an issue of 10 million fully paid ordinary shares at 20c a share after the completion of the placement.

Parsons described the IFC investment, subject to shareholder approval, as another tick for the company.

“We’ll be doing desktop studies before the end of the year and following the new resource announcement in February, we’ll definitely be looking to start scoping and feasibility,” he said. “We will also be looking at adding a board member with engineering and mine experience in west Africa to direct the feasibility study and coordinate the drill-out phase.

“From there we will hopefully be looking at development.”

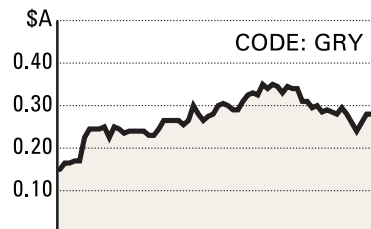
Conventional wisdom suggests that any explorer with a good project, the right commodity and good management will have excellent prospects in finding development support. Gryphon would have to qualify in all categories.

In a matter of months the company has gone from a pure explorer not knowing what its property contained, to a company with a resource and substantial upside.

“Now we know what we’ve got, we can see us getting to 2 million ounces fairly easily – and that’s a mine basically,” Parsons said.

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## GRYPHON MINERALS AT A GLANCE



3 months ending June 30, 2009

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### DIRECTORS

Mel Ashton, Steve Parsons,  
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### MARKET CAPITALISATION

\$A50 million (at press time)

### MAJOR SHAREHOLDERS

Genesis Fund 8.5%  
Management 5.77%  
Macquarie Bank 5.42%  
Newmont Mining 4.22%