



Gryphon Minerals Limited
ACN 107 690 657

Quarterly Activities For The Period Ending
30th September 2005

Highlights

- **Banfora Gold Project, Burkina Faso - West Africa** – An “earn-in” Joint Venture agreement providing Gryphon Minerals with an extensive land holding and a cost-effective entry into one of the worlds most prospective known gold provinces.
- Inaugural drill programme undertaken at the highly prospective Collurabbie South Project, along strike from the Falcon Minerals-BHP “Olympia” nickel, copper, & PGE discovery (drill results pending).
- Recent diamond drilling has intersected broad zones of disseminated sulphides (though sub-economic) at the company’s Mount Windarra Project.

Introduction

Gryphon Minerals during the quarter entered into an “earn-in” Joint Venture agreement granting Gryphon the right to acquire 90% (Government 10%) of the highly prospective Banfora Gold Project located in Burkina Faso, West Africa.

The Banfora Gold Project is located in a major gold producing district, host to such world class gold deposits as Tongon (2.9 Moz) Syama (5.2 Moz) and Morila (5.6 Moz). The project area covers a total of 1150km² and entirely encapsulates the highly prospective “Loumana” Birimian geological belt within Burkina Faso. The Project is in close proximity to a major city, sealed road and grid power.

During the quarter the first drill programme was undertaken at the Company’s 100% owned Collurabbie South Project. The project area is situated 30 kilometres along strike to the south from the exciting, Falcon Minerals / BHP (ex-WMC Resources), Collurabbie joint venture nickel discovery. (Results from the drill programme are pending).

The September quarter saw the completion of a diamond drill-hole programme testing three ground electro-magnetic targets at the company's Mount Windarra Project. Broad zones of disseminated sulphides were seen, which are typical of those associated with nickel sulphide deposits and include pentlandite, pyrrhotite, chalcopyrite and pyrite, although no zones of economic nickel mineralisation were intersected.

Banfora Gold Project – Burkina Faso, West Africa

During the quarter the Company entered into an "earn-in" Joint Venture agreement granting Gryphon the right to acquire 90% (Government 10%) of the highly prospective Banfora Gold Project located in Burkina Faso, West Africa.

The joint venture provides Gryphon with an extensive land holding and a cost-effective entry into one of the worlds most prospective known gold provinces.

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 Tongon (2.9Moz) Syama (5.2Moz) and Morila (5.6Moz). The project area contains two granted exploration licenses and three exploration license applications covering a total of 1150km².

The Project area is easily accessible by road and in close proximity to the town of Banfora. A 100km sealed road connects the project to the major city of Bobo Diolasso and a further 350km to Burkina Faso's capital city Ouagadougou. Grid power is located only 30km from the eastern boundary of the project.

The project area has seen reconnaissance style exploration including soil sampling, geological mapping, rock chip sampling and shallow RAB and open-hole RC drilling by previous explorers, including Western Mining Corporation (WMC).

The maximum drill hole depth within the project is 50 metres vertical depth below surface and the average drill hole depth within the project is just 30 metres. The majority of the project area has not been drill tested and a large number of historical holes appear to have been ineffective in testing targets.

From the Joint Venture database there is a plethora of high magnitude, well defined soil geochemical anomalies that require follow up drill testing. A number of these anomalies are at greater than +250ppb gold and continue for over 1000 metres in strike length. One such soil geochemical anomaly at the Nogbele Prospect extends for in excess of 2000 metres with peak levels including 2400ppb, 1900ppb, 1600ppb, 1500ppb gold and associated rock chips along the entire strike include 28g/t, 18g/t and 12g/t gold. This major target has not been drill tested.

The Joint Venture agreement is between Gryphon Minerals and Sanembaore Sarl Pty Ltd, an Australian and Burkina Faso based private company. Gryphon has paid a cash consideration totalling A\$100,000 to Sanembaore Sarl Pty Ltd and has agreed to fund minimum expenditure of A\$330,000 within the first year and to keep tenure in good standing. Gryphon can at its sole discretion then fund up to a further \$1.7 million in exploration expenditure over a period of 3 years to earn 51%. Gryphon may earn an additional 19% interest by completing a bankable feasibility study and thereafter may make a cash payment of US\$1.0 (one) million in order to acquire the remaining interest in the project and reduce the other Joint Venture

party's interest to a total 1% net smelter royalty. At this point Gryphon will hold 90% of the Banfora Project with the Burkina Faso Government holding the remaining 10%.

For more detail on the Banfora Gold project please refer to the previous Gryphon Minerals, Australian Stock Exchange (ASX) Announcement dated 22nd August 2005 - **JV in Major Gold Province - Banfora Gold Project**

Highlights of the Banfora Gold Project include:

A **substantial landholding of 1150km²** entirely encapsulating the highly prospective "Loumana" Birimian geological belt within Burkina Faso.

Located within a major gold producing district along strike and in close proximity to the **2.9 Moz Tongon** (30km), **5.2 Moz Syama** (90km) and **5.6 Moz Morila** (140km) gold mines.

Plethora of highly prospective exploration gold targets including the "**Nogbele Prospect**" containing immediate drill targets.

Numerous well defined, high-order magnitude geochemical soil anomalies (**+250ppb gold**) that extend for a combined **strike length in excess of 10 kilometres**.

Previous historical drill results include:

BFLR126 – **28m @ 4.46g/t** gold from 4m.

BFLR286 – **9m @ 4.43g/t** gold from 21m.

BFLR201 - **6m @ 6.16g/t** gold from 8m.

BFLR013 - **2m @ 35.00g/t** gold from 8m.

Historical drilling is limited, maximum hole depth is 60 metres (inclined) with the **average hole depth of just 30 metres**. All previous drilling is by Rotary Air Blast (RAB) and open-hole RC.

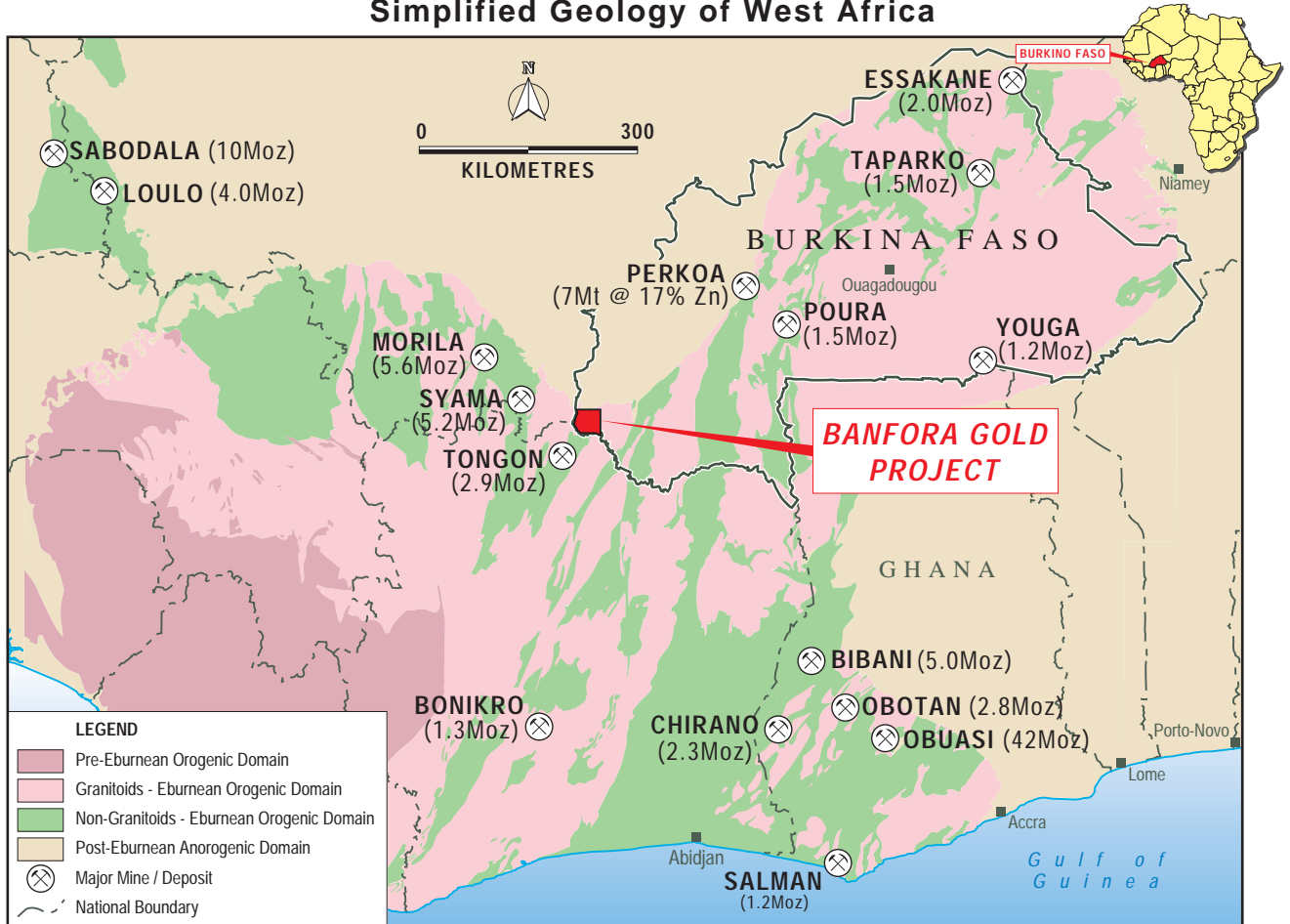
Numerous high tenor rock chips, with little or no follow up work throughout the project area including **90.4g/t** gold, **52.8g/t** gold, **29.9g/t** gold and **28.0g/t** gold.

Highly prospective geological sequence of Birimian rocks with major regional structures and several styles of gold mineralisation already identified within the project area.

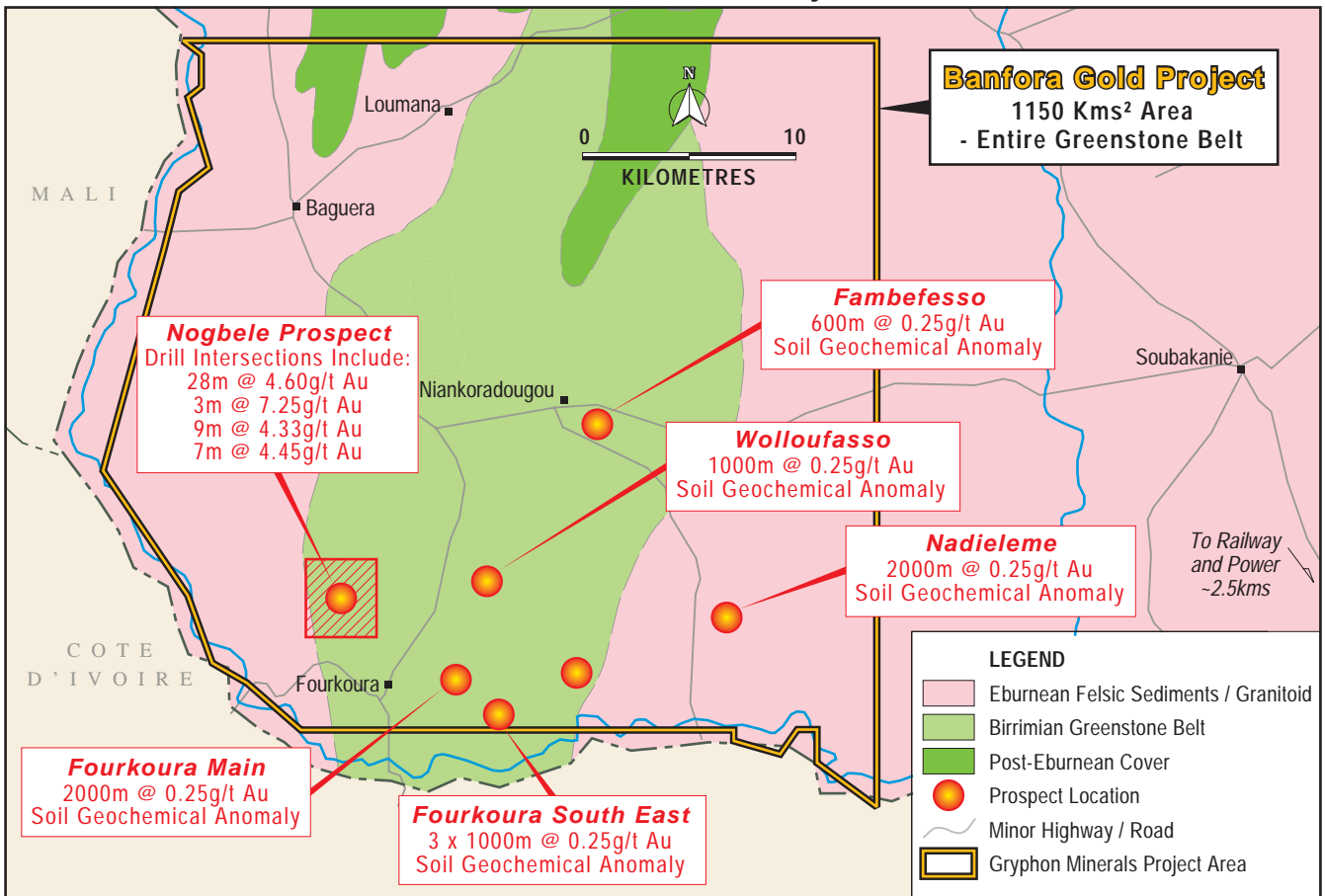
Close proximity to infrastructure, 100km (~1 hour) by sealed road to Burkina Faso's second largest city of Bobo- Diolasso and only ~30km from the project area to a major power grid.

BANFORA GOLD PROJECT

Simplified Geology of West Africa



Banfora Gold Project



Collurabbie South Project

Gryphon Minerals' 100% owned Collurabbie South Project is located in the North Eastern Goldfields of Western Australia. The project is situated 30 kilometres along strike to the south of the exciting new, Falcon Minerals and BHP-Nickel West (WMC) Collurabbie joint venture nickel discovery. WMC Resources announced in November 2004, that drill results from their Collurabbie JV Project indicated the potential for a new nickel sulphide province.

Gryphon's project area covers approximately 90km² and hosts the Southern extension of the sequence of ultramafic and mafic rock types that host the mineralisation at the Collurabbie joint venture nickel discovery.

Historical reconnaissance exploration work has confirmed the presence of rock types favorable to nickel, copper, gold and PGE mineralisation, within the Collurabbie South Project.

Activities during the September Quarter

During the period detailed geological and geophysical studies have identified several prospective areas for potential nickel sulphide, copper, PGE and gold mineralisation.

On granting of the tenure, a reconnaissance drill program was undertaken to identify prospective geological units that have the potential to host sulphide nickel, copper, PGE and gold mineralisation within the southern continuation of the ultramafic/mafic sequence, hosting the Falcon Minerals & BHP (ex-WMC Resources) Collurabbie "Olympia" discovery.

As geological outcrop is limited within the project area the reconnaissance drill program should enable us to gain a good understanding of the underlying basement stratigraphy and help with future targeting of prospective lithology's.

All samples from the drill program were submitted for multi-element geochemistry on the completion of the drilling, significant results will be made available at the earliest opportunity.

Mount Windarra Project

Gryphon Minerals' Mount Windarra Project, comprising one granted exploration licence, is located only a few hundred metres from Poseidon NL's, famous Mount Windarra nickel discovery of the late 1960s.

The project area contains two ultramafic units interpreted to be the basal Mount Windarra ultramafic unit that hosts the Mount Windarra, South Windarra and Woodline Well nickel deposits. These deposits produced in excess of 85,000 Tonnes of nickel. The two ultramafic units within the project area are under transported sands and clays and were discovered last year by Gryphon Minerals.

Initial reconnaissance RAB drilling by Gryphon Minerals intersected anomalous nickel values up to 15 metres @ 0.53% nickel associated with the ultramafic unit. The successful RAB program was followed up with a detailed ground electro-

magnetic (EM) survey, which generated three high priority drill targets with the potential to host sulphide nickel mineralisation. Recent diamond drilling of the targets intersected broad zones of disseminated sulphides (though sub economic) in each of the three holes.

A Second reconnaissance Air-core drill programme to the north of Gryphon's original discovery zone intersected ultramafic rock types, which now increases the strike length of the prospective basal unit to three kilometres.

With the recent tripling of the prospective basal ultramafic sequence and the discovery of broad zones of disseminated sulphides in relatively close proximity to the historic Mount Windarra nickel mine, Gryphon Minerals is encouraged by the potential to discover economic nickel sulphide mineralisation within the project area.

Exploration at the Mount Windarra Project is being funded 100% by Gryphon's joint venture partner Minara Resources, as part of the required \$1,000,000 to be spent on the project over the next two years to earn a 70% interest in the project.

Activities during the September Quarter

During the Previous quarter a diamond drill-hole programme was completed to test three high priority ground electro-magnetic (EM) targets at the Mount Windarra Project.

All three of the EM generated drill targets were located proximal to the ultramafic contact, one of which was located down dip of the previous reconnaissance air-core drill intersection of 15m @ 0.53% Nickel.

A total of three diamond holes were drilled for 1093 metres testing each of the EM targets. Results from the diamond drilling show elevated levels (though sub-economic) of nickel associated with intervals of up to 29 metres of disseminated sulphides within the ultramafic sequence. Also seen in the drill core are veinlets of re-mobilised sulphides associated with felsic granite intrusives. Sulphide minerals logged in the core are typical of those associated with nickel sulphide deposits and include pentlandite, pyrrhotite, chalcopyrite and pyrite. Intervals of elevated silver mineralisation, including up to 1 metre @ 4.8g/t silver in hole MNDD001 are of interest and appear to be associated with shearing of the ultramafic/mafic sequence.

In conjunction with the diamond drill programme a down hole electro-magnetic (DHEM) survey was undertaken on each of the drill holes to test for potential off-hole conductors. Response levels of the DHEM appear to correspond to the original surface electro-magnetic survey and suggest no off-hole conductors.

Radio Project

The Radio Project is an advanced high-grade gold project located in the Bullfinch region of Southern Cross, Western Australia. The project contains 22 semi-contiguous tenements covering an area of approximately 245 square kilometres. Gryphon Minerals owns the majority of the project area 100% including the Radio gold mine.

The project area abuts the +1 million ounce Copperhead gold mine and contains the Radio gold mine, which historically produced over 71,000 ounces of gold at 38.5g/t. The project area is highly prospective for large tonnage multi-million ounce gold deposits as well as smaller high-grade gold deposits.

Activities for the September Quarter

Gryphon Minerals continues reviewing historical mine and regional exploration data to further identify areas of possible gold, nickel and copper mineralisation. The company is continuing to evaluate the economic potential the Radio Gold Mine.

Project Generation

During the September quarter Gryphon Minerals continued to identify and review additional mineral exploration projects, which may offer value enhancing opportunities to Shareholders.

Yours faithfully

Steve Parsons
Managing Director
Gryphon Minerals Ltd

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 deposit 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 consents to the 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.

Name of entity

GRYPHON MINERALS LIMITED

ABN

31 107 690 657

Quarter ended ("current quarter")

30 September 2005

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(283)	(283)
(b) development	-	
(c) production	-	
(d) administration	(156)	(156)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	25	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(414)	(414)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
(d) term deposit	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other –		
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(414)	(414)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(414)	(414)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	12	12
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - costs of share issues	-	-
Net financing cash flows		12	12
Net increase (decrease) in cash held		(402)	(402)
1.20	Cash at beginning of quarter/year to date	2,369	2,369
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,967	1,967

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	56
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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

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

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		

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	300
4.2	Development	
Total		300

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	573	276
5.2 Deposits at call	1,394	2,093
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,967	2,369

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			
6.2 Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	41,471,502	34,171,500		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	57,750	57,750		
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>	6,000,000 400,000 2,750,000 963,500 125,000		<i>Exercise price</i> 35 cents 30 cents 25 cents 20 cents 33 cents	<i>Expiry date</i> 1 April 2007 31 January 2007 31 July 2007 31 December 2005 31 January 2007
7.8 Issued during quarter				
7.9 Exercised during quarter	57,750		20 cents	31 December 2005
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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: 31 October 2005
(Company secretary)

Print name: Kent Hunter.....

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* 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.