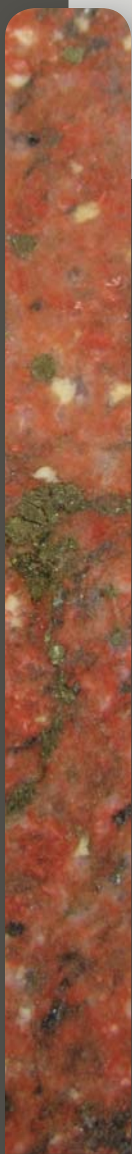
2015
ANNUAL REPORT

GRYPHON
MINERALS LIMITED

ABN: 31 107 690 657



GRYPHON
MINERALS LIMITED

Corporate Directory

Non-Executive Chairman	Mel Ashton
Managing Director	Stephen Parsons
Non-Executive Directors	Didier Murcia Bruce McFadzean
Company Secretary	Carl Travaglini
Principal & Registered Office	228 Churchill Avenue Subiaco WA 6008 T: +61 8 9287 4333 F: +61 8 9287 4334
Share Registry	Link Market Services Ltd Level 4 Central Park 152 St Georges Tce Perth WA 6000
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008
Bankers	National Australia Bank 100 St Georges Terrace Perth WA 6000
Solicitors	K&L Gates Level 32 44 St Georges Tce Perth WA 6000
Stock Exchange Listing	Australian Securities Exchange (ASX)
Home Exchange	Perth, Western Australia
Ticker code	GRY
Website	www.gryphonminerals.com.au

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FOCUSSED ON DEVELOPING THE 3.6MOZ **BANFORA GOLD PROJECT**

2015 Highlights

Fully Permitted

Awarded Mining and Environmental Permits

- Fully permitted to proceed with the proposed 2Mtpa mining operation utilising a heap leach process plant
- The Company enjoys regular and co-operative dialog with Burkina Faso government officials, local communities and key stakeholders
- The Company continues to maintain ongoing communication and project updates through Community Consultation Committee meetings and community focus which includes subcommittee meetings.

Bankable Feasibility Completed on 2Mtpa Heap Leach Start-up Operation

Low Cost, High Margin, Low Risk

- Excellent project economics demonstrated on the heap leach start-up operation.
- NPV 5% A$120m, IRR 30%, US$85M capital cost (down from US$97M)
- Provides the Company with a simple low cost development path to production
- When combined with the robust economics at low gold prices, is manageable and attractive to project financiers.

Strong Financial Position

Cash and Investments of $19m as at 30 June 2015

- Project debt mandated with due diligence underway
- Implemented significant cost reductions in overheads across the entire business

Expansion Scoping Study[1] completed on 2Mtpa Heap Leach + 1Mtpa CIL

Extremely Robust Economics

- Expansion through the addition of a conventional 1Mtpa carbon-in-leach processing plant.
- Significant 233% increase in $NPV_{5\%}$ to A$210m and IRR 42%
- Rapid payback of 2.4 years
- Low cash costs of US$707/oz and AISC of US$800/oz
- Doubles gold production to 133,000oz pa with head grade of 2.8g/t gold in first 3 years from the CIL.
- Simple, quick and low cost

Low Cost, High Success Exploration

Delivering a Pipeline of World Class Projects

- Grade control drilling at Banfora now essentially completed on the first 2-3 years of operation and confirmed exceptional shallow high grade gold mineralisation including:
  17m @ 8.2 g/t gold
  19m @ 6.3 g/t gold
  16m @ 6.8 g/t gold
  14m @ 64.6 g/t gold
  18m @ 5.8 g/t gold
- Targeting further high grade mineralisation at the 3.6Moz Banfora Gold Project
- High priority new targets identified in Burkina Faso and Mauritania

[1] The results are at Scoping Study level. The Scoping Study referred to in this report is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. In discussing 'reasonable prospects for eventual economic extraction' in Clause 20, the Code requires an assessment (albeit preliminary) in respect of all matters likely to influence the prospect of economic extraction including the approximate mining parameters by the Competent Person. While a Scoping Study may provide the basis for that assessment, the Code does not require a Scoping Study to have been completed to report a Mineral Resource. Scoping studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar deposits or operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. Reporting the general results of a Scoping Study needs to be undertaken with care to ensure there is no implication that Ore Reserves have been established or that economic development is assured. In this regard it may be appropriate to indicate the Mineral Resource inputs to the Scoping Study and the processes applied, but it is not appropriate to report the diluted tonnes and grade as if they were Ore Reserves. While initial mining and processing cases may have been developed during a Scoping Study, it must not be used to allow an Ore Reserve to be developed. The Scoping Study is preliminary in nature as its conclusions are drawn on Inferred mineral resources (2%). No mine sequencing was performed. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The stated production target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

Chairman's Letter to Shareholders

> "Gryphon has continued to respond to the challenging gold and capital markets by implementing a development strategy for the 3.6Moz Banfora Gold Project which involves keeping upfront capital costs as low as possible, preserving our cash position whilst focussing on key objectives that will deliver value to our stakeholders."

The past 12 months has been an extremely challenging period for the offshore gold industry as gold prices have continued to fall and access to capital markets remains constrained. The 2015 financial year has been one of revision and refocus for the Company and I am both pleased and proud of the way the Gryphon team has been able to respond quickly to the changing gold market by adding value to our key Banfora Gold Project which will ultimately deliver returns for all our stakeholders. I believe the milestones and achievements the Gryphon team has delivered will be appreciated by the broader investment community when sentiment improves and capital returns to the sector.

The Company has achieved a number of key objectives this year, including the Bankable Feasibility Study released in August 2014, and optimised in July 2015 which confirmed the viability of a two million tonne per annum conventional Heap Leach start-up operation. The study continues to be well received by both investors and potential financial backers due to not only the low capital costs and economic viability of the project, but also the significant leverage to a rising gold price, security against a lower gold price, up-scalability of the plant and the discovery upside that remains across the Banfora property.

The Company continues to implement a 'de-risk, get ready & add value' strategy aimed at preserving our strong cash position, whilst focussing on key objectives that will deliver shareholder value. With continued pressure on the gold price and equity markets for mining and development companies, I believe our achievements this year clearly demonstrate that this was, and continues to be, the right strategy. With the completion of the Bankable Feasibility Study, a solid cash and investment position of A$19 million, a mandate to provide debt financing and an experienced management team that is focused on operational delivery and excellence, we remain in a strong position as we move into project development.

COST SAVING AND FOCUS

Our commitment to ongoing cost management has resulted in the Company realising significant savings for the Company. Additional initiatives were implemented towards the end of 2014 with particular focus on reducing administration costs which resulted in the departure of a number of head office and site based administration personnel. None of these changes have an impact on Gryphon's ability to quickly move ahead with the development of the Banfora Gold Project at the appropriate time.

GOVERNANCE AND RISK MANAGEMENT

Good corporate governance and risk management remains central to everything that we do. As we move into development this becomes of even greater importance and the Board is committed to continuing to fulfil its corporate governance obligations and responsibilities in the best interests of the company and all its stakeholders.

THE COMMUNITY AND OUR CORPORATE SOCIAL RESPONSIBILITY

Gryphon continues its corporate social responsibility work in Burkina Faso and relationships with the local stakeholders of the Project remain strong. The Company takes its commitment to becoming a leader in environmental and social responsibility very seriously as well as progressing towards meeting the world class standards of the IFC (a member of the World Bank Group), one of our major shareholders, and a key supporter of foreign investment in developing nations.

"We are committed to ensuring our people are provided with a safe and healthy working environment as they complete their day-to-day activities."

HEALTH & SAFETY

The health and safety of our employees, contractors and the communities in which we operate is of paramount importance at Gryphon and central to the success of our company. No business objective takes priority over health, safety and protection of the environment and we are committed to ensuring our people are provided with a safe and healthy working environment as they complete their day-to-day activities.

OUR PEOPLE

Our people at Gryphon are a key resource. Across the entire business, action was taken in response to the low gold price environment and an exceptional amount of effort was required from our people. Under the difficult circumstances during the year a number of staff were made redundant, while across the entire Company those who remained were asked to accept reductions in their remuneration and increased workloads. I take this opportunity to thank our staff for their efforts and the achievements made in these circumstances.

I would like to thank the Managing Director and Key Management Personnel during this period who have demonstrated the ability to respond rapidly to changes in the market which will ultimately enable the Company to revise and adapt while continuing to clearly focus on achieving its objective of becoming a high margin West African Gold Producer.

On behalf of the Board, I would like to thank our shareholders for their ongoing support and look forward to the upcoming year as we forge ahead towards development and ultimately gold production.

Mel Ashton
Chairman

Managing Director's Letter to Shareholders

"Demonstrating additional upside potential at the 3.6Moz Banfora Gold Project, progressing towards development, with further discoveries inevitable"

The 2015 financial year was again challenging for the Company, accentuated by depressed investor sentiment in the global resource sector and declining gold and commodity prices. Despite the difficult markets, a number of achievements were made by the Company during the year and our focus remains on becoming a high margin West African gold producer.

BANFORA GOLD PROJECT, SIGNIFICANT UPSIDE REALISED & FURTHER DE-RISKED

The Company completed a Bankable Feasibility Study in August 2014 that demonstrated robust project economics for a conventional 2 million tonne per annum Heap Leach start-up operation. An updated study in July 2015 has demonstrated the potential for a significant increase in project economics, through the addition to the Heap Leach start-up operation of a 1 million tonne per annum Carbon-in-Leach (CIL) circuit.

This recent upscaled study featured lower capital and operating costs for the 2 million tonne per annum Heap Leach start-up operation. The addition of the CIL circuit has the potential to realise a significant improvement in project economics, with higher gold recoveries for the deeper high grades at Banfora. Grade control drilling performed earlier in the year within the pit designs demonstrate continuity of mineralisation and exceptionally high grade gold that will further enhance mine production. The regional upside potential at Banfora is largely untested at scale and we believe there remains significant potential for new discoveries throughout the project's 1,150 km^2 of tenure.

During this period the Banfora Gold Project has been further de-risked with the Mining Licence and environmental approvals granted, grade control drilling undertaken, reduced capital costs, reduced operating costs, a low cost entry-level heap leach operation, significant up-scale benefits through the addition of a CIL circuit, debt mandate and a high potential for further discoveries to expand the resource.

The close spaced grade control drilling results (announced to ASX on 6 May 2015) have confirmed the existing geological and resource models and indicated excellent grade continuity within the numerous shoots that were drill tested, with numerous high grade shallow +100 grams gold per metre intersections including: 14m @ 64.6 g/t gold from 16m, 16m @ 6.8 g/t gold from 7m and 4m @ 45.6 g/t gold from 6m.

Key deliverables achieved during this 2014/15 reporting period include:

- Mining Licence and environmental approvals granted;
- Initial mine design production de-risked with completion of 5m x 5m grade control drilling;
- Completion of a Bankable Feasibility Study for a low cost start up 2mtpa Heap Leach operation;
- Completion of an up-scaled 2mpta Heap Leach and additional 1mtpa Carbon In Leach operation scoping study;
  - Low cash cost of US$707/oz and AISC of US$800/oz
  - High grade 2.8g/t gold to CIL in first 3 years and 2.5g/t gold CIL Life of Mine
  - Significant increase of 233% to the $NPV_{5\%}$ to A$210M
- Two staged approach preferred to minimise capital outlay as capital costs are US$85M;
- Moving towards a full funding solution including debt mandate; and
- Ongoing strict fiscal & cost management controls within the Company.

COMMUNITY

The Company has continued to enjoy regular and co-operative dialog with Burkina Faso government officials, local communities and key stakeholders. The well documented popular uprising in late October 2014, which resulted in the removal of Burkina Faso president, Blaise Compaoré, and his governing political party, and the subsequent political unrest that occurred in September 2015, has not presented major disruption to our operations in Burkina Faso. The Company has maintained regular communication with key ministers within the interim government which was introduced in late 2014. The interim government will continue to govern in the lead up to the democratic presidential election, which is earmarked for Q4 2015.

The interim government has confirmed that the Company's exploitation (mining) permit awarded in 2014 for the development and operation at Banfora remains valid. The Company has also retained tenure of all its exploration ground in Burkina Faso, with a number of renewals granted during the period. The Company continues to maintain ongoing communication and project updates through Community Consultation Committee meetings and community focus, which includes sub-committee meetings. Meetings in the most recent quarter have featured the signing and agreement of resettlement site locations for the majority of the proposed mining areas.

DIFFICULT MARKET CONDITIONS & STRICT FISCAL CONTROL

This financial year has been characterised by very difficult markets, with commodity prices in general decline and investor sentiment in the resources sector waning. The US$ gold price peaked in July 2014 at $1,338 but fell to a low of $1,085 within only a few months. Gryphon made a swift and prudent response to challenging market conditions to preserve our cash position last year, to ensure that it was deployed as prudently as possible, and this approach has continued with further cost reduction initiatives implemented this year.

STRONG LEVERAGE TO THE UPSIDE

The delivery of long term value to shareholders and stakeholders remains core to our strategy. Through our approach to the development of the 3.6Moz Banfora Gold Project, with the mining licence granted and the significant upside that can be realised through the addition of a CIL circuit to the start-up heap leach operation, shareholders have significant exposure to one of the near term development stories in West Africa.

Managing Director's Letter to Shareholders (continued)

Furthermore, additional upside from a number of growth opportunities has been retained, including:

- Future ore reserve and resource growth – The completed Bankable Feasibility Study is based on measured and indicated resources at Banfora. In addition to the inferred resources that sit within the current pit designs that are not included in the Reserve Estimate a number of drill-ready targets in close proximity to the proposed processing facility have been identified and are ready for future drill testing.

- High grade depth extensions – The mineral resources that sit outside of the current pit shells demonstrate that significant potential exists for depth extensions to push the pits below the current pit inventory, with potential for defining future CIL plant feed in primary material.

"Numerous high grade mineralised ore zones exist throughout the deposit that have real potential for future underground mining scenarios."

- Underground potential – Numerous high grade mineralised ore zones exist throughout the deposit that have real potential for future underground mining scenarios. The Nogbele North deposit includes high grade drill intersections of:

    - 14m @ 64.6 g/t gold from 16m;
    - 16m @ 6.8 g/t gold from 7m; and
    - 4m @ 45.6 g/t gold from 6m.

- Up-scalability of the plant - The majority of the Reserve estimate is shallow and average pit depths for the heap leach operation across the Project are above 50 metres vertical depth. The recent up-scaled study has demonstrated the significant upside in project economics that can be realised through the addition of a CIL circuit to treat the higher grade ores.

- Proximal targets - The potential for discovering additional heap leach and CIL material is underpinned by the prospectivity of proximal targets, including the nearby Ouahiri, Kafina, Hillside and Muddi Prospects. This further highlights the future potential for up-scaling the operation on the back of additional discoveries. Significantly, all of these additional green-field discoveries were made by Gryphon's highly experienced exploration team using cost effective techniques.

- Potential silver credits - Potential silver credits from the operation have not been included in project economics. Grades of up to 10g/t silver have been intersected at the Nogbele north deposit. The Bankable Feasibility Study has not incorporated the processing and recovery of this additional silver.

- Heap leach optimisation - Metallurgical results show excellent recoveries at a nominal crush size of 12.5mm in the oxide material, with recoveries as high as 96% in the column test work. Further optimisation testwork of those deposits less sensitive to crush size has the potential to coarsen crush size without significant loss of recoveries, coupled with a reduction in cement consumption, reducing unit operating costs.

- Used equipment - Opportunities currently exist to purchase used heap leach equipment. Used equipment has the potential to benefit the project economics through reduced capital expenditure and a shorter project development timeline. The scoping study included a small amount of used equipment which assisted in reducing capital costs, but more opportunities still exist.
- Further regional exploration success - Ongoing exploration at high priority targets in Burkina Faso, Mauritania and Côte d'Ivoire has the potential to generate a pipeline of new organic discoveries for Gryphon.
- Increase in the gold price – A gold price of US$1,250 per ounce was used for the base case studies. Sensitivity analysis demonstrates the Heap Leach operation has a strong resilience to a lower gold price and very good upside in a rising gold price environment. This is further enhanced by the addition of the CIL circuit, which enables the high grade +2.5g/t gold ore to be extracted at much higher recoveries.

"One of Gryphon's defining features is the strength of our exploration team."

EXPLORATION PIPELINE

One of Gryphon's defining features is the strength of our exploration team. As we advance Banfora towards mine development, we are continuing our 'low cost, value add' exploration approach, which will support our future growth. We are excited by the exceptional potential we are seeing from our high quality exploration pipeline in Burkina Faso and Mauritania. This is highlighted by recent infill drilling results at Banfora including high grade shallow oxide mineralisation intercepted at Ouahiri South and Kafina West, demonstrating that there is excellent potential for additional new ounces waiting to be discovered at the Project. Furthermore, our joint venture over tenure on the prolific Houndé Belt in Burkina Faso, where historical drilling has already intercepted high grade mineralisation, highlights the potential for further new significant discoveries; and our earlier stage properties in Mauritania continue to show good prospectivity for gold and copper.

LOOKING AHEAD

I would like to recognise the enduring support we receive from the Burkina Faso government and local communities in which we operate and all our other important stakeholders.

The past twelve months have presented a number of challenges as market conditions have declined rapidly, but the Company maintains its focus on becoming a high margin West African gold producer. The team at Gryphon has worked tirelessly to complete key deliverables that have continued to de-risk and add real value to the Banfora Gold Project and its exploration portfolio in West Africa. The Company has retained its core team that boasts significant corporate, exploration and project development experience, and I would like to thank them for their dedication and commitment.

Again, this year is one of increased work commitments, reduced staff resources, salary freezes and no short term or long term incentives being paid. The Board of Directors of Gryphon Minerals and key management personnel have taken the initiative again this year for the second year running by taking voluntary reductions in remuneration. Despite the difficult market conditions being experienced worldwide, and the uncertainty and price volatility facing the gold industry, the Board of Directors and management of Gryphon Minerals remain focused and on track for taking the Banfora Gold Project into production, as well as the untapped future potential available to the Company. By taking a prudent approach to cash preservation Gryphon will be well placed to ultimately add value for shareholders in these difficult market conditions. Finally, I would like to thank our shareholders for your continued support. We are committed to building on Gryphon's strong foundations and putting us on a path to deliver greater shareholder value.

Steve Parsons
Managing Director

Burkina Faso

Capital: Ouagadougou
Population: 18 million (2015)
Land Area: 274,200km²
Offical Language: French
Government: Parlimentary Republic
Currency: West African CFA franc (XOF)
GDP per capita: 530.82 USD (2015)
Democratic election in October 2015

Gryphon's Banfora Gold Project

Gryphon Minerals is developing the world-class 3.6Moz Resource at the Banfora Gold Project located in the south-west of Burkina Faso, West Africa. Burkina Faso is one of the largest gold producers in Africa and is located on some of the world's most prolific greenstone belts (accounting for 22% of West Africa's greenstone belt exposure). The country is already host to a number of producing mines and this is anticipated to increase given the prospectivity and strong Government support for the mining industry.

Corporate Social Responsibility

Gryphon recognises that measurement of corporate success encompasses not only economic indicators, but also values held in respect of environmental and social responsibility. Company stakeholders expect Gryphon to ensure it promotes fair and beneficial business practices, operates to the highest ethical standards, contributes to the growth and prosperity of the communities in which it operates, and responds positively to local needs.

The Company continues to strive towards IFC performance standards and be leaders in environmental and corporate social responsibility.

Gryphon's Environmental and Social Responsibility (ESR) work is supported by a dedicated ESR Manager, based in Burkina Faso at the Banfora Gold Project. In addition, three Community Liaison Officers, selected from project-impacted villages, work to support the project development in order to meet International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability.

Additional support is provided through regional administrative offices in the capital cities of Ouagadougou in Burkina Faso and Nouakchott in Mauritania. This provides the Company with the resources to pro-actively manage the expectations of both the local communities and government administrations.

Environmental and Social

The Company continued to be firmly committed to meet the legislative environmental requirements for all of its exploration and early construction activities, working on improving the management of health, safety, social and environmental aspects of the project development.

During ongoing pre-development works for the Banfora Gold Project, Gryphon prepared the Environmental and Social Impact Assessment that was presented to and approved by the Government of Burkina Faso. This documentation was a pre-cursor to the submission of the formal application for a Mining Exploitation Licence which was formally granted by the Burkina Faso government in August 2014.

The Company continued with the preparation of an Environmental and Social Impact Assessment (ESIA) to meet IFC Performance Standards, as well as eleven Social Management Plans (SMPs) that demonstrate how potential impacts will be managed throughout the life of the mine. SMPs submitted to the IFC in 2015 include, for example, the Community Development Plan, the Local Employment Plan and the Influx Management Plan. Integral to this process were the completion of baseline studies on health, cultural heritage and community infrastructures, as well as a feasibility study on micro-dams and intensive agriculture. The next phase of ESIA preparation has commenced and will incorporate the Health and Environmental sections..

Considering the importance of the availability and quality of surface and ground water in the project area, and in line with the regulatory requirements, Gryphon's comprehensive water monitoring program continued. Level, flow, and quality of water is measured and analysed, providing robust technical baseline data. Water measurement and analysis will continue for the duration of the project.

Socio-economic studies, population census and asset surveys were conducted in the communities that are expected to be either physically or economically affected by the project in order to clearly identify the social and economic impacts on the communities, and to prepare for proper and timely mitigation and compensation activities. With a view to ensure sound and secure data management, collected data has been incorporated into a specially developed database.

Community

Gryphon appreciates the role it has in the communities in which it operates, and considers its active involvement in the local communities as part of its licence to operate. Significant activity occurred throughout the reporting period to strengthen community relationships in Burkina Faso, including:

Initiative:	Community Consultation Committee (CCC)
Location:	Local level, Burkina Faso
Key Benefits:	Informed participation of communities in the vicinity of the Project

Gryphon continues its corporate social responsibility work in Burkina Faso and relationships with the local stakeholders of the Project continues to strengthen through Community Consultation Committee (CCC) meetings, which are held on a regular basis. The CCC was formed almost two years ago and it is composed of approximately eighty representatives from several levels of government and the project-affected communities. Its membership includes non-government organizations focused on human rights and local capacity development, who work together to ensure that the function of the CCC is appropriate for the project's operating context and that engagement with communities is on the basis of informed participation.

At the CCC meeting of August 28, the main topic of discussion was the proposed resettlement housing package, including policies and designs. Positive feedback on the proposed buildings constructed at Gryphon's "demonstration village" (pictured left) has been received from the communities at these meetings. The Company signed resettlement site agreements with the communities at Nogbele, which forms part of the resettlement action plan for the initial development phase of the project, and Stinger and Samavogo. The final area at Fourkoura is anticipated to be signed before the end of 2015.

A sub-committee was also formed to address and negotiate on compensation rates and farmland restoration strategies with the first meeting being held on 10 November 2014.

Corporate Social Responsibility (continued)

Initiative:	Women's focus groups
Location:	Local level, Burkina Faso
Key Benefits:	Informed participation of communities in the vicinity of the Project

In addition to the CCC, and to ensure that women in the communities affected by the Banfora Gold Project have an opportunity to raise their views and concerns about the project, Women's Focus Group meetings have been practiced for over two years and continued during the reporting period. The Company provided additional support to organise and actively participate at the Women's Day celebrations at Niankorodougou in March.

Initiative:	Blanket Drive for New Born Children
Location:	Local level, part of the Burkina Faso Government's immunisation program
Key Benefits:	Increased awareness of the government program

The Company held a blanket drive for new born children. This drive was part of the Burkina Faso Government's immunisation program. The blankets were well received by the community and the doctors were pleased with the Company's participation which helped increase awareness of the program, and in turn resulted in a near 20% increase in physical immunisations in the project affected areas.

Initiative:	Literacy Program
Location:	Local level, Burkina Faso
Key Benefits:	Improving levels of education in local communities

Gryphon supported a literacy program last year under which 132 people took literacy classes (83 women and 49 men) in six local villages. This program has recommenced early in 2015, following harvesting of crops in the region. Literacy investment is seen as a foundational investment to support future livelihood restoration as the Banfora Gold Project develops.

Working Safely and Responsibly

The safety, health and well-being of employees, contractors and the community is a core value for Gryphon who has the aim of zero injuries in the work place. In 2015 Gryphon again recorded zero lost time injuries (LTI), with total LTI man-hours at the Project reaching 1,443,000 by the end of August 2015.

Gryphon acknowledges the support of all our employees, especially in the field, for their continued vigilance to safe working practices across the company.

On-going health and safety activities on site include:

- induction programs for all workers and visitors;
- weekly tool-box meetings with a safety focus;
- interactive weekly contractor safety meetings;
- anti-malarial programs including awareness and fogging; and
- HIV awareness programs.

The Company has also been active in the training of local staff, including the following programs:

- introduction to specialised concreting;
- basic welding and fabrication; and
- basic computer skills.

Corporate Social Responsibility (continued)

Key Objectives for FY16

With encouraging feedback from community members for additional literacy programs, and the basic infrastructure already in place, Gryphon will continue to provide these types of programs over the coming year.

Finalise negotiations on crop compensation rates and farmland restoration strategies with the affected communities.

Finalise the environmental monitoring program at the end of the 2015 wet season, and update the ESIA in accordance with IFC Performance Standards.

Once agreement has been reached on all resettlement site locations, the resettlement action plan will be updated, finalised and included into the overall ESIA document update.

Diversity and Equality

At Gryphon we are committed to workplace diversity including gender, age, ethnicity and cultural backgrounds. We recognise the benefits to our operations that can be gained by the use of all available talent, including within the communities in which we operate.

The Company continues to create and provide employment to African nationals. As at 30 June 2015, the Company employed 86 people within Burkina Faso and Mauritania of differing ages, ethnicities and cultural backgrounds.

Further information regarding employee diversity can be found in the Corporate Governance Statement and a copy of our Diversity Policy is available on our company website.

Directors' Report

1. Directors

The following persons were directors of Gryphon Minerals Limited during the whole of the financial year and up to the date of this report unless otherwise stated.

Name:	Mr Mel Ashton
Title:	Independent Non-Executive Chairman
Qualifications:	B.Com, FCA, FAICD
Experience and expertise:	Mr Ashton holds a Bachelor of Commerce degree from the University of Western Australia. He is a Chartered Accountant with over thirty years' experience.
Other current directorships:	Chairman for Empired Limited (since December 2005) and Venture Minerals Limited (since May 2006).
Former directorships (last 3 years):	Renaissance Minerals Limited (from February 2010 to March 2014), Barra Resources Limited (from January 2011 to March 2013) and Resource Development Group Ltd (from February 2011 to April 2015).
Special responsibilities:	None
Interests in shares:	1,000,000 fully paid ordinary shares
Interests in long-term incentives:	None

Name:	Mr Stephen Parsons
Title:	Managing Director
Qualifications:	B.Sc (Hons) Geology, AusIMM
Experience and expertise:	Mr Parsons graduated from the University of Canterbury in New Zealand with an Honours degree in Geology. He has held technical positions for a number of junior resource companies and major mining houses including CRA Exploration and Placer Dome, exploring for a wide variety of commodities throughout Australia before listing Gryphon in April 2004.
Other current directorships:	None
Former directorships (last 3 years):	Avonlea Minerals Limited (from 22 May 2009 until 30 November 2012).
Special responsibilities:	None
Interests in shares:	7,036,310 fully paid ordinary shares
Interests in long-term incentives:	218,530 share appreciation rights expiring 19 November 2016 6,666,667 share appreciation rights expiring 31 December 2016

Name:	Mr Didier Murcia AM
Title:	Independent Non-Executive Director
Qualifications:	LLB, Bjuris
Experience and expertise:	Mr Murcia holds a Bachelor of Jurisprudence and Bachelor of Laws from the University of Western Australia and has over twenty five years' experience in corporate, commercial and resource law. Mr Murcia is the Honorary Consul for the United Republic of Tanzania and has extensive experience in Africa. Mr Murcia was made a Member of the Order of Australia in January 2014 in recognition of his significant service to the international community.
Other current directorships:	Non-Executive Chairman of ASX listed Centaurus Metals Limited (since April 2009), Non-Executive Chairman of ASX listed Alicanto Minerals Limited (since May 2012), Non-Executive Director of ASX listed Cradle Resources Limited (since August 2013) and Non-Executive Director of ASX listed Strandline Resources Ltd (since October 2014).
Former directorships (last 3 years):	Rift Valley Resources Limited (from November 2010 until June 2013).
Special responsibilities:	None
Interests in shares:	402,173 fully paid ordinary shares
Interests in long-term incentives:	None

2. Directors (continued)

Name:	Mr Bruce McFadzean
Title:	Independent Non-Executive Director
Qualifications:	Dip. Mining, FAusIMM
Experience and expertise:	Mr McFadzean is a qualified mining engineer with more than thirty years of management, mining and processing experience. Mr McFadzean has broad technical, operating and corporate experience in commodities including gold, silver, nickel, copper, diamonds and iron ore and has managed the construction and operation of a number of successful mines in Australian and overseas.
Other current directorships:	Non-Executive Director of ASX listed Venture Minerals Ltd (since June 2008) and Non-Executive Director of IMX Resources Ltd (since March 2015).
Former directorships (last 3 years):	Evolution Mining Limited (from June 2008 until January 2012) and Mawson West Limited (TSX:MWE) (from October 2012 until February 2015).
Special responsibilities:	None
Interests in shares:	None
Interests in long-term incentives:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

2. Company Secretaries

Mr Carl Travaglini (B.Bus, CA, AGIA) has held the position of Company Secretary since 7 February 2014. Mr Travaglini is a Chartered Accountant, Chartered Company Secretary and also serves as the Company's Financial Controller. Prior to joining Gryphon in 2011, Mr Travaglini worked in assurance services for the mining and resources sector. He has more than eight years' experience in financial reporting, corporate governance and risk management.

Ms Candice Driver served as Joint Company Secretary from 7 February 2014 to 16 March 2015.

3. Principal Activities

The principal activity of Gryphon Minerals during the financial year was the exploration and development of mineral projects located in West Africa. The Company is currently focussed on developing the Banfora Gold Project in Burkina Faso and exploring throughout Mauritania and Côte D'Ivoire for gold and copper.

There were no significant changes in the nature of the consolidated entity's principal activities during the financial year.

4. Dividends

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

5. Review of Operations

Overview

During the 2015 financial year Gryphon delivered on a number of key objectives in relation to the development of its Banfora Gold Project ("Banfora" or "the Project") in Burkina Faso during difficult market conditions. This was underpinned by:

- Excellent project economics demonstrated from optimisation of the start-up 2Mtpa heap leach (HL) operation & scoping study[2] for expansion through the addition of a conventional 1Mtpa carbon-in-leach (CIL) processing plant. This includes low upfront capital costs of US$85M for the start-up HL operation and low additional capital outlay of US$45M for a 1Mtpa CIL add-on which could be partly funded from early cash flow from the initial start-up HL operation.
- The upfront 2Mtpa Heap Leach operation provides the Company with a low cost development path to production which, when combined with the robust economics at low gold prices, is manageable and attractive to project financiers.
- The Company proceeded with pre-construction works including panel fabrication which continued well with the completion of all the latrines and housing panels for the first small village to be relocated from the process plant area. Initial discussions were also held with the department of urbanism on the first site development.
- A grade control and infill drilling program of 21,856m was completed to increase the confidence of the shallow oxide resources, particularly in the initial years to significantly de-risk the production schedule. The program has resulted in grade control level drilling now essentially completed on the first 2-3 years of operation.
- The Company has completed a review of available used equipment that would be suitable for the Banfora Gold Project, targeting a capital cost reduction without major compromise to the plant availability and throughput. Formal expressions of interest have been submitted to two companies; one that has a full plant available, and another that has mainly agglomeration, staking and conveying equipment.

The loss for the Consolidated Entity after providing for income tax and non-controlling interests amounted to $14,521,293 (Restated - 2014: $51,382,320).

2 The results are at Scoping Study level. The Scoping Study referred to in this report is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. In discussing 'reasonable prospects for eventual economic extraction' in Clause 20, the Code requires an assessment (albeit preliminary) in respect of all matters likely to influence the prospect of economic extraction including the approximate mining parameters by the Competent Person. While a Scoping Study may provide the basis for that assessment, the Code does not require a Scoping Study to have been completed to report a Mineral Resource. Scoping studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar deposits or operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. Reporting the general results of a Scoping Study needs to be undertaken with care to ensure there is no implication that Ore Reserves have been established or that economic development is assured. In this regard it may be appropriate to indicate the Mineral Resource inputs to the Scoping Study and the processes applied, but it is not appropriate to report the diluted tonnes and grade as if they were Ore Reserves. While initial mining and processing cases may have been developed during a Scoping Study, it must not be used to allow an Ore Reserve to be developed. The Scoping Study is preliminary in nature as its conclusions are drawn on Inferred mineral resources (2%). No mine sequencing was performed. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The stated production target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

Review of Operations (continued)

Corporate

Cash and Cost Reduction Initiatives

As at 30 June 2015, Gryphon held approximately $18.5 million in cash, plus approximately $0.5 million in listed investments. In response to the ongoing challenging market conditions impacting the gold industry, Gryphon continued its commitment to ongoing cost management processes and as a result of cost reduction programs the Company continues to realise significant savings across the business. These initiatives included:

- the departure of a number of head office and site based administration personnel;
- effective 1 July 2015, a reduction in the non-executive director fees by a further 25% (reduced by 20% in 2014);
- effective 1 July 2015, a reduction in the managing director's salary by a further 10% (reduced by 20% in 2014);
- a reduction in the salary of other key executives and/or shares in lieu of a reduction in base salary;
- continued suspension of the short-term incentive plan; and
- continued suspension of all exploration drilling with field work now limited to low cost target generation.

None of these changes have an impact on Gryphon's ability to quickly move ahead with the development of the Banfora Gold Project at the appropriate time. The Company remains focused on a '**de-risk, get ready & add value**' strategy, while maintaining its fundamental principle of preserving its strong cash position in difficult market conditions.

Project Finance

In June 2014, the Company mandated Macquarie Bank Limited as sole arranger and underwriter to provide a senior loan facility and associated hedging and cost overrun facilities, to fund the development of the Banfora Gold Project. Due to the civil unrest in Burkina Faso (refer below) and the new feasibility study (released July 2015) on the 2Mtpa Heap Leach Project, the due diligence process has been delayed.

Investments

Gryphon owns approximately 9% of Tawana Resources NL (ASX: TAW). Tawana is currently exploring the Mofe Creek Iron Ore Project located 10 kilometres from the historic Bomi Hills Mine (+50Mt high grade DSO magnetite), only 25 kilometres from the coast and adjacent to a heavy haul railway and port in Liberia.

During the year, Tawana announced the discovery of new high-grade Direct Shipping Ore (DSO) hematite mineralisation (refer to ASX announcement dated 8 July 2015), located a short trucking distance to the operating port of Freeport, Monrovia. Additionally Tawana discovered greater than 2.2km strike of friable itabirite mineralisation in the Goehn prospect as part of its ongoing low-cost exploration strategy over the Company's recently acquired, 100% owned MEL1223/14 Mofe Creek South licence.

The combination of a new DSO hematite discovery within the Mofe Creek project area and the port infrastructure Memorandum of Understanding signed with WISCO-CAD significantly enhances the potential for a low-capital intensity, early start-up DSO trucking operation.

Events in Burkina Faso

In late October 2014, Burkina Faso experienced civil unrest as a response to the then-President Compaoré's proposal to amend the constitution to allow him to stand for election again in the 2015 presidential elections. Demonstrations against the proposal prompted President Compaoré to resign. On October 31, 2014 an interim head of state was appointed while the implementation of a transitional government was being elaborated. On November 16, 2014 a constitutional charter mapping out a year-long transition to elections was approved, and Mr. Michel Kafando, a former foreign minister and previously Burkina Faso's ambassador to the United Nations, was chosen as the country's interim president. Subsequently, a transitional government was installed in Burkina Faso and the first meeting of the Burkina Faso Council of Ministers was held on November 23, 2014. Activities on site at the Banfora Gold Project were unaffected by the demonstrations in 2014 and the subsequent political unrest that occurred in September 2015. The new elections are scheduled to be held in the fourth quarter of 2015.

Review of Operations (continued)

Projects

Banfora Gold Project (90% Gryphon, Burkina Faso Government 10%)

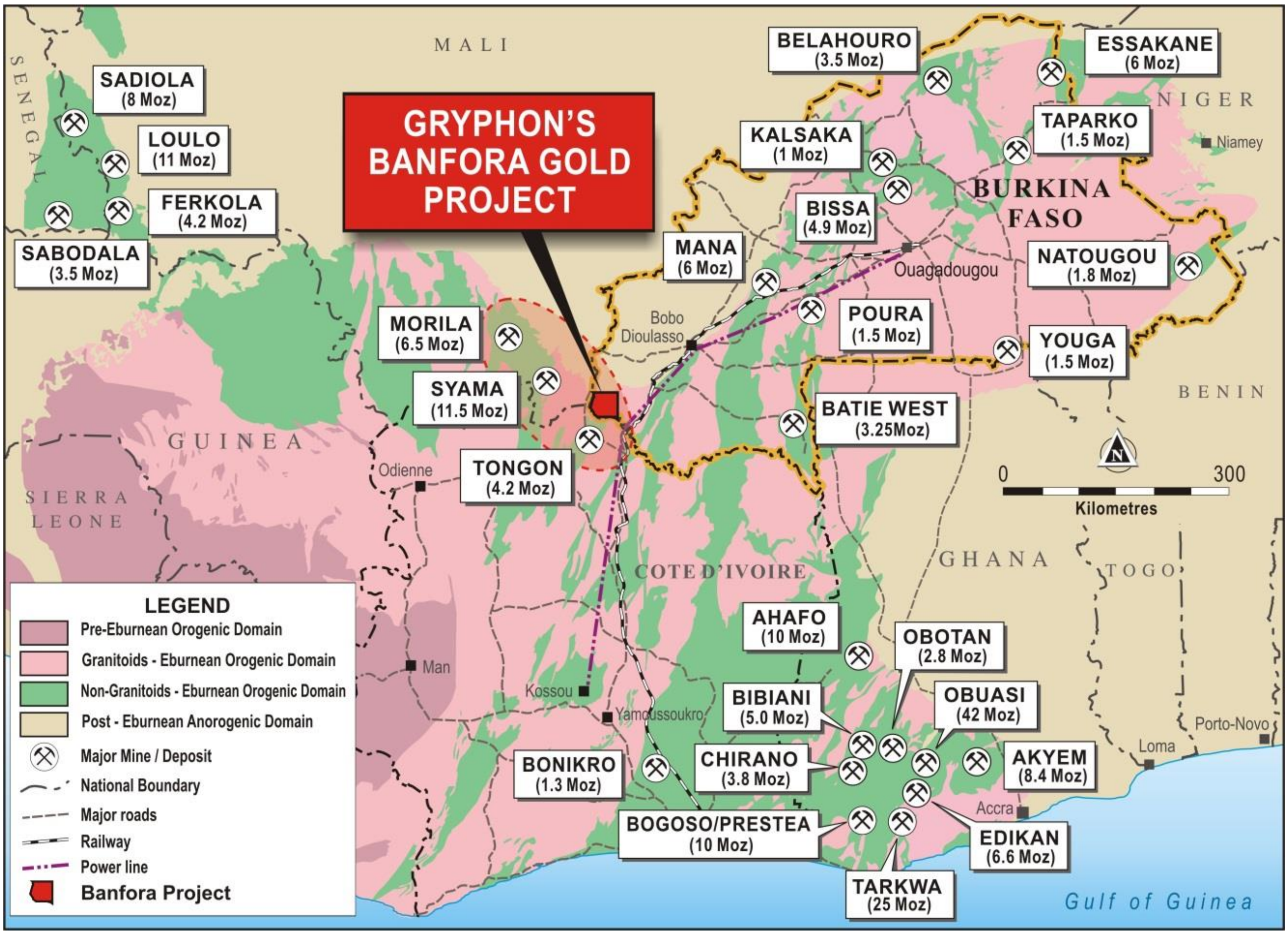
Banfora Gold Project | Overview

The Banfora Gold Project ("Banfora" or "the Project") is located in the south-west of Burkina Faso, West Africa. Burkina Faso is one of the largest gold producers in Africa and is located on some of the world's most prolific greenstone belts (accounting for 22% of West Africa's greenstone belt exposure). The country is already host to a number of producing mines and this is anticipated to increase given the prospectivity and strong Government support for the mining industry.

The Project includes exploration licenses covering over 1,000 square kilometres and a mining licence that covers 89 square kilometres. These licences are located in a major gold district where world class gold deposits such as Tongon (4.2 Million oz Au), Syama (5 Million oz Au mined & 6.5 Million oz Au in resources) and Morila (6.5 Million oz Au) are also found. The Project has an enviable location being easily accessible by road in close proximity to the regional town of Banfora and the major city of Bobo-Dioulasso. In addition, an existing hydro-power supply source and substation is located less than 100 kilometres to the south of the project site in Côte d'Ivoire, which can potentially be used to power future mining expansion and development.

Of the total exploration and evaluation expenditure shown on the consolidated statement of cash flows, $7 million is attributable to exploration and associated activities undertaken at Banfora during the financial year ended 30 June 2015. This expenditure includes exploration from the infill and grade control drilling program, pre-construction costs, optimisation and scoping studies, environmental and social responsibility studies, resettlement planning and panel fabrication costs.

Figure 1: Banfora Gold Project | Burkina Faso



Review of Operations (continued)

Banfora Gold Project | Revised Studies

In early July 2015, Gryphon announced the results of an Optimisation Study (the "Study") for the development of a 2Mtpa Heap Leach start-up operation, and upside potential realised with the expansion of the facility through the addition of a conventional 1Mtpa carbon-in-leach (CIL) processing plant, at its fully permitted flagship Banfora Gold Project in Burkina Faso.

Table 1: Summary of Results from Studies

Updated Banfora Gold Project Feasibility Study Economics @ US$1,250/oz		**2015 Studies**			**2014 Feasibility Study**
		Base Case (2mtpa Heap Leach Followed by 1mtpa CIL)[2,5]	Upscaled Case (Simultaneous Build of 2Mtpa Heap Leach + 1mtpa CIL)[2,5]	2mtpa Heap Leach Stand Alone[5]	2mtpa Heap Leach Stand Alone[6]
NPV $_{5\%}$ after tax	A$M	175	210	120	90
IRR after tax	%	24.9%	42.2%	30.4%	20.5%
LOM revenue (net of refining costs)	US$M	1,162	1,160	778	808
Cash costs/oz (C1)	US$/oz	717	707	718	743
All-In Sustaining Costs/oz (AISC)	US$/oz	811	800	839	868
Capital costs includes working capital & contingencies	US$M	85 + 45	130	85	97
Recovered gold	Moz	1.1	1.1	0.8	0.8
Average gold produced	oz/yr	63,000/129,000	133,000	73,800	70,600
LOM	years	9.2	7.0	8.6	9.2
Strip ratio	W:O	3.5:1	3.5:1	3.2:1	3.4:1

The latest Study highlights significantly enhanced Project economics, utilising additional grade control drill data for in-pit resources (refer ASX Announcement of 6 May 2015)[3], and subject to finalising a senior debt facility, the Company intends to proceed with the development of the Project, potentially making the Banfora Gold Project one of the next operating gold mines commissioned in Burkina Faso, and Gryphon as one of the next low-cost ASX listed gold producers.

As part of an optimisation study on the Project, the Company has updated key cost parameters of the start-up Heap Leach operation, and in addition has incorporated a scoping level study[2] for the installation of a 1Mtpa CIL circuit.

The 1Mtpa CIL has the flexibility to be added to the 2Mtpa heap leach operation either at the commencement of development (simultaneously) or at a later date potentially using cash flows from the heap leach operation.

The optionality to develop the heap leach project as a standalone operation is retained given the benefits of lower up-front capex and a quicker development time-frame. Retaining this optionality gives Gryphon the flexibility to develop a low-capex project under a more manageable funding solution, in turn allowing the 1Mtpa CIL circuit to be added at a later date, which can be funded in part via Heap Leach cash flow.

Review of Operations (continued)

The studies have shown the upscaling would be best undertaken at the end of the second year of operation of the start-up heap leach facility. Hence a study has been completed for both scenarios, providing the Company with project development optionality which is considered beneficial under current market conditions.

The Study also focussed on the high cost elements and major contributors to capital, operating and sustaining costs. A gold price of US$1,250/oz was retained for project economics, as per the original Heap Leach feasibility study base case (refer ASX Announcement of 4 August 2014)[6]:

Heap Leach start-up operation: initial 2 Years[5]

The Heap Leach components of the Study were prepared via the update of key parameters from the Feasibility Study completed in August 2014[6], utilising an updated resource estimate inclusive of recent infill and grade control drilling (refer ASX Announcement of 6 May 2015)[3]. Thus, the ultimate basis of the Study remains unchanged, being the development of a 2Mtpa heap leach start-up operation at the Banfora Gold Project located in south-west Burkina Faso, West Africa.

The basis for the CIL expansion Scoping Study[2] was taken from the original Feasibility Study undertaken on a 2Mtpa CIL development scenario for the Banfora Gold Project (Refer to the ASX release 31 January 2013)[3]. This work has been integrated with the above work and the engineering and mining studies re-optimised based on a combined 2Mtpa HL and 1Mtpa CIL operation at Banfora. Pit optimisation studies determined that the optimum timing for the addition of the CIL plant was following 2 years of steady operation of the 2Mtpa HL facility.

Table 2: Optionality enhanced for the Start-up 2Mtpa Heap Leach as a standalone operation for which bank debt due diligence is currently being undertaken[4]

2Mtpa Start-up Heap Leach stand-alone operation (US$1,250 gold)	June 2015	% Change from August 2014
Project cash flow	US$140M	+16%
Capex (includes contingency & working capital)	US$84.5M	-15%
$NPV_{5\%}$ after tax [A]	A$120M	+25%
IRR after tax	30.4%	+33%
Payback	2.8yrs	-32%
Cash Costs/oz (C1) [B]	US$718/oz	-4%
All-in Sustaining Costs (AISC) [C]	US$839/oz	-4%

[A] Exchange rate for US$:A$ of 0.78c
[B] C1 cash costs as set out by Mackenzie Wood
[C] All-in sustaining costs (AISC) includes C1 cash costs, royalties, refining and sustaining capital costs

The Company managed the Study and engaged a number of independent specialist consultants to assist with the optimisation work for the Study update; Lycopodium Minerals Pty Ltd optimised the capital and operating costs, Cube Consulting Pty Ltd updated pit optimisations and Kirk Mining Consultants provided an overview of mining operating costs.

The optimisation work completed for the Study focussed on those key inputs with the potential to provide increased upside to the Banfora Gold Project economics. These principal areas are outlined below:

Review of Operations (continued)

Optimisation Engineering and Updated Key Cost Components

As part of the Study, the Company solicited revised quotations for key cost inputs to the capital and operating costs. In general terms the Project has benefited from this exercise which has realised savings attributable to difficult market conditions, with tighter margins evident and lower labour rates from contractors, and in part exchange rate movements since the August 2014 Feasibility Study[6].

This exercise focussed on the high cost elements and major contributors to capital, operating and sustaining costs with the following elements providing the more significant savings:

- Reagent costs have reduced due to increased competitiveness improving process operating costs; cyanide and cement being of highest significance.
- More competitive costings for engineering and project and construction management services, benefiting from the stronger USD compared with AUD and ZAR where the majority of these services will be provided from. Exchange rates used against the USD for the study were AUD 0.78 and ZAR 0.0831.
- Re-quote of mining contractor costs including pre-production, establishment, mobilisation and operating costs, using an experienced mining contractor with established operations in West Africa; benefiting from the tighter market conditions and increased availability of plant and equipment.
- Use of used equipment where confirmed available and appropriate for the processing facility, and only after physical inspection of the equipment in question by the Company to confirm its condition and suitability for Banfora.
- Reduction in international transport costs realised through the recent drop in oil prices. Much of these discounts are yet to be passed on in Burkina Faso itself, however should this eventuality transpire, then the project operating costs will realise additional benefit.
- Accounting for sunk costs in the estimate accumulated from the grade control drilling, minor early works engineering completed to date on access road designs, camp layout and bulk earthworks, and accommodation camp costs which include architectural designs.
- Revision of the construction methodology for accommodation and housing at the project, based on in-house architectural design work and trial construction at the project site. Of significance is the training of local employees of the Company in the construction of concrete panels for tilt-up construction methods, proving significantly quicker than traditional block work methods, and providing the local community with new skill sets.
- Update of sustaining capital costs, benefiting from unit cost reductions for above mentioned housing construction methodology, with the added benefit of maximising local labour at lower cost than international contractors.

Mining and Pit Optimisation

Based on the Mineral Resource (including Inferred Mineral Resources), operating and capital costs, pit optimisations were completed for HL and CIL materials. The mining operation proposes engagement of a mining contractor using conventional truck and shovel open pit methods. The combined heap leach/CIL facility will process approximately 23Mt of plant feed in total over a 7 year mine life at an average head grade of 1.4g/t gold. The CIL facility will process approximately 7.1Mt of the total plant feed at an average LOM head grade of 2.5g/t gold.

In the optimal scenario of bringing the CIL plant on line after two years of operation, the heap leach facility will process approximately 16Mt of plant feed over an 8 year mine life at an average head grade of 1.1g/t gold. The CIL facility will process approximately 7.1Mt of plant feed over a 6.5 year mine life at an average head grade of 2.54g/t gold.

Review of Operations (continued)

The updated material movement estimations for the Study were again developed by Cube Consulting, with the primary aim of supplying the best value material first to maximise the value to the Project.

Processing

As stated in the Feasibility Study, the HL process route comprises two stage crushing for oxide and transition materials, followed by cement agglomeration and overland conveying to heap leach pads. The pad area includes full plastic (HDPE) lining, conveyor stacking in 8 metre lifts, and drip irrigation with dilute cyanide solution. Pregnant solution is treated at a dedicated Adsorption-Desorption Recovery (ADR) plant via elution, electro winning and smelting to produce gold doré.

The conventional CIL processing plant includes a single stage milling circuit (SAG Mill), conventional CIL gold recovery process and tailings storage facility. Services for the expanded plant will be drawn from the existing HL operation via minor upgrades, with no requirement for expansion of general infrastructure, reagents and services, ADR plant, gold room and administration buildings.

Metallurgy

Detailed independent metallurgical testwork programs have been conducted for the CIL and Heap Leach technologies to a Bankable Feasibility Study standard. Testwork confirmed that Banfora ores are all 'non-refractory', typically 'free-milling' with a high gold recovery by cyanidation leach and low to moderate reagent consumptions, as follows:

Table 3: Metallurgical Recoveries for Heap Leach & CIL

Ore Type	Average CIL Recovery	Grind size	Average Heap Leach Recovery	Average Crush Size mm
Oxide	92%*	106µ	85%	12.5
Transition	97%*	106µ	78%	12.5
Primary	89%*	106µ	66%	8.0

*Some of the original testwork for the CIL program was completed at 75 microns which realised improved recoveries, however Gryphon has used the coarser 106 micron grind for its studies to reduce power costs. At 75 microns the estimated recoveries in the CIL are: Oxide: 94%, Transition: 97%, Primary: 92%.

It should also be noted that the primary samples at 75 microns saw recoveries as high as 97% at the Nogbele & Samavogo deposits, and thus with lower operating costs such as heavy fuel oil (HFO) or hydroelectric power from Côte d'Ivoire this could warrant a revisit of the grind size. Study work has also shown that approximately 20% of the gold could be recovered by gravity circuit, however this has not been factored into the design by Gryphon as to keep capital costs to a minimum, and would require a modest amount of confirmatory testwork.

Mineral Resource and Potential for Depth Extension

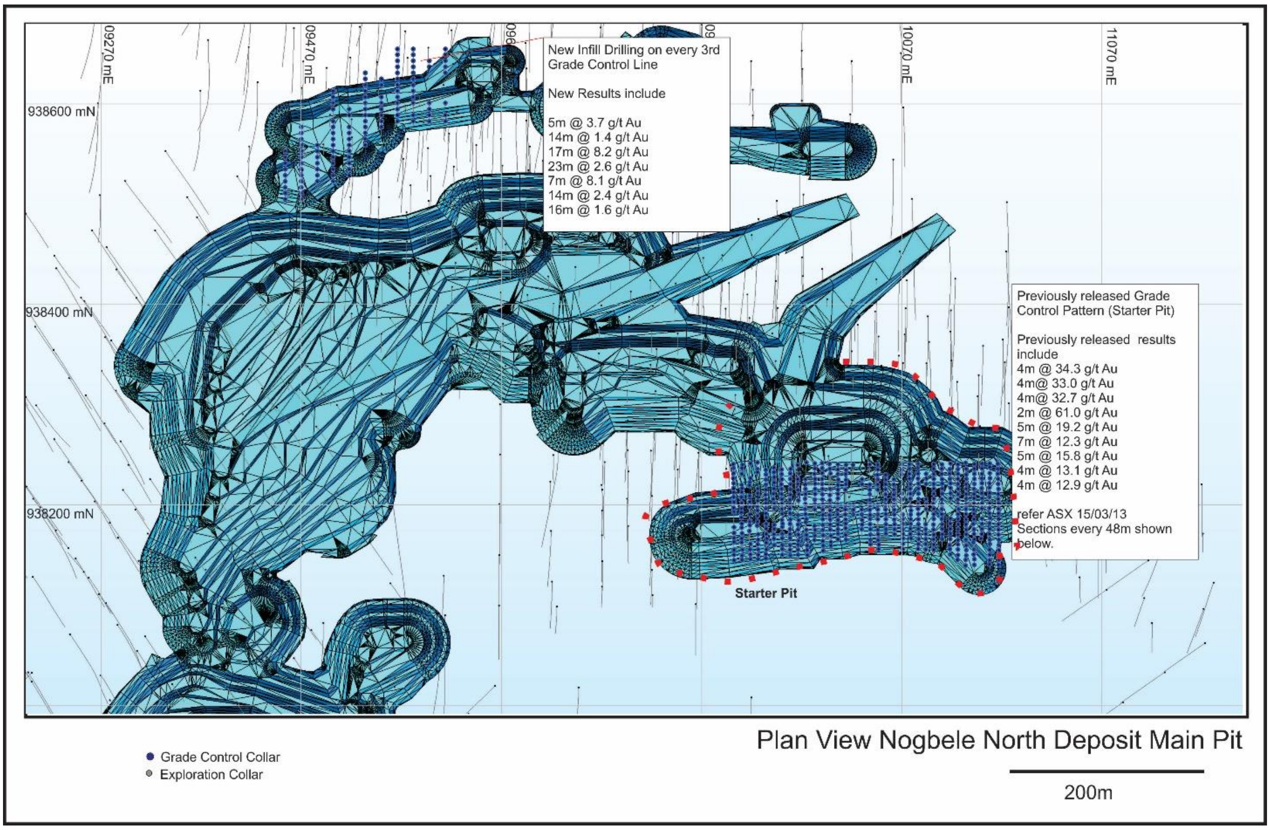
The Banfora Gold Project is a significant undeveloped gold resource in West Africa and is one of only a few new large scale greenfields discoveries in the world. The Mineral Resources are shallow with 90% above 150 meters vertical depth and they remain open at depth and along strike. The Ore Reserves for the heap leach operation are also shallow with an average vertical pit depth of 50 metres across the deposits (refer ASX Announcement of 4 August 2014).[3] The 0.5g/t lower cut has been used for the Study work.

Review of Operations (continued)

Table 4: Mineral Resource Estimate

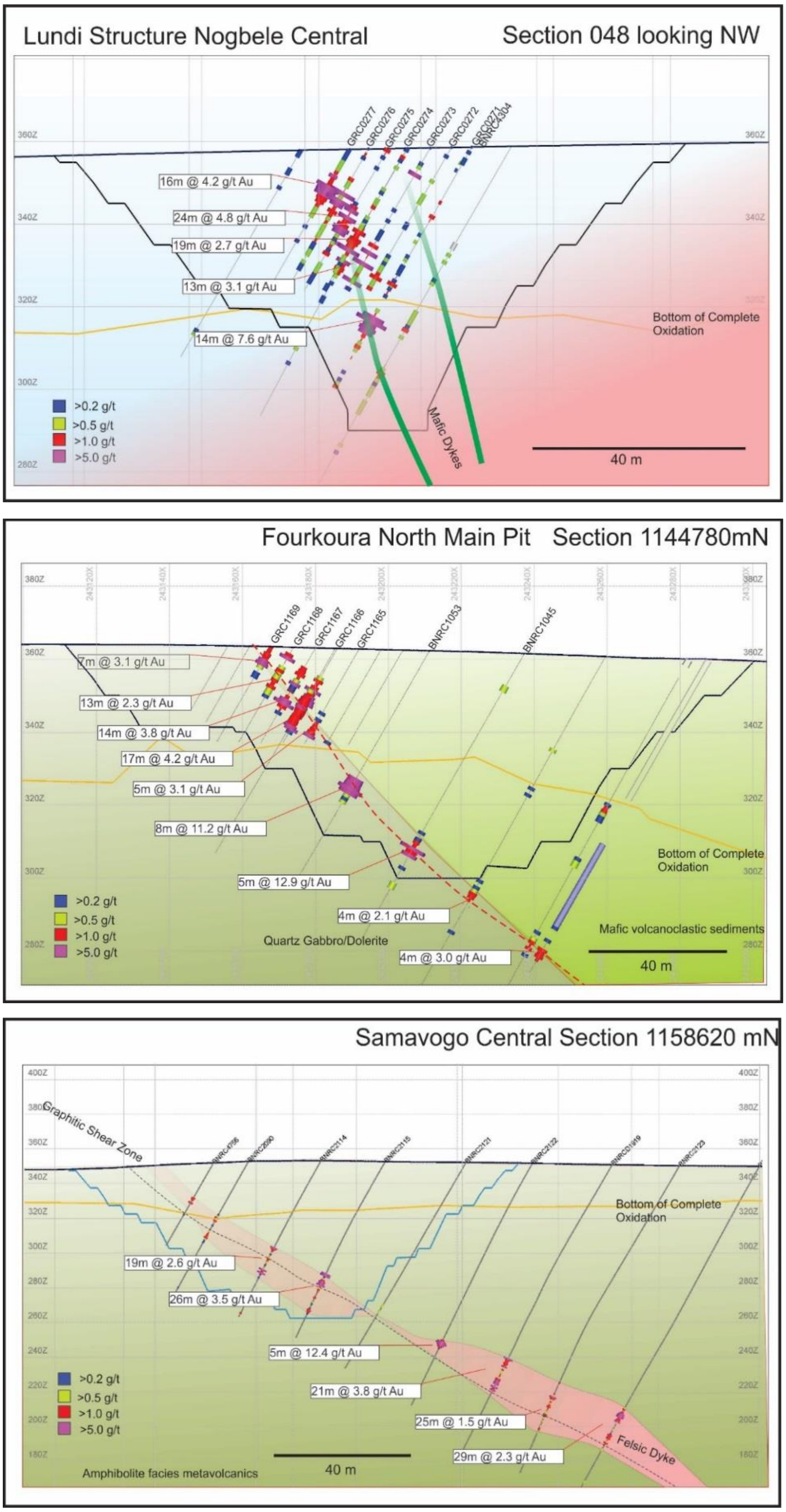
Lower cut (g/t)	Measured			Indicated			Measured + Indicated			Inferred			Total		
	Tons (Mt)	Grade g/t Au	Gold (Moz)	Tons (Mt)	Grade g/t Au	Gold (Moz)	Tons (Mt)	Grade g/t Au	Gold (Moz)	Tons (Mt)	Grade g/t Au	Gold (Moz)	Tons (Mt)	Grade g/t Au	Gold (Moz)
0.3	9.5	1.1	0.35	76.2	1.2	2.9	85.8	1.2	3.2	19.2	1.1	0.70	105	1.2	3.9
0.5	6.7	1.4	0.31	60.5	1.4	2.7	67.2	1.4	3.0	15.9	1.3	0.66	83.0	1.4	3.6
1.0	3.1	2.3	0.23	28.8	2.1	1.9	31.9	2.1	2.2	7.8	1.9	0.47	39.7	2.1	2.6
1.5	2.0	2.9	0.18	16.1	2.8	1.4	18.0	2.8	1.6	3.8	2.6	0.32	21.9	2.8	1.9

Figure 2: Nogbele North Deposit Pit Design



Review of Operations (continued)

Figure 3: Selection of cross sections showing excellent continuity and high grade mineralization from early mine life pit designs at the Nogbele, Fourkoura and Samavogo Gold Deposits.



Review of Operations (continued)

Revised Capital Costs from Revised Study

The capital cost estimate for the project development has been compiled and is presented in United States dollars. The estimated initial capital cost based on the optimised Study outcomes, including contingencies and project working capital, is US$84.5 million. Refer Table 5 below.

The upfront 2Mtpa Heap Leach operation provides the Company with a low cost development path to production which, when combined with the robust economics at low gold prices, is manageable and attractive to project financiers. The addition of the 1Mtpa CIL plant in this scenario is anticipated at the end of the second year of standalone HL production and is planned to be funded through cash flows from the HL operation, based on the pit optimisation work conducted by Cube Consulting.

Table 5: 2Mtpa Heap Leach Capital Cost Estimate

Cost Area	Total US$M
Construction Establishment	6.3
Processing Facility	16.5
Leach Pads	4.4
Infrastructure	17.4
EPCM	8.1
Owner's Costs	12.3
Resettlement and Compensation	9.1
Contingency	7.5
Working Capital	2.9
Total Initial Capital	**84.5**
CIL Plant Capital*	**45.4**

* The CIL processing plant can be built up initially with the Heap Leach operation or at a later date potentially using cash flows from the start-up Heap Leach operation.

Sustaining capital estimates for the operation matched the same concept as used for the feasibility studies over the nine year mine life, and total US$30 million (approximately US$32/oz gold produced) for the expanded plant, but with one exception. The Feasibility Study required the addition of a tertiary crusher to handle primary material after year two of operation. With the addition of a CIL plant, these materials are no longer processed through the HL plant, hence the approximate US$6M reduction from the August 2014 Feasibility Study sustaining capital estimate[6].

Upside Potential Simultaneous Development of Heap Leach and CIL Plants[2,5]

As part of an optimisation study on the Banfora Gold Project as noted above, the Company has in addition incorporated a scoping level study for the installation of a 1Mtpa CIL circuit that has the flexibility to be added onto the 2Mtpa heap leach operation either at the commencement of development (simultaneously) or at a later date using cash flows from the heap leach operation. The significant upside of the simultaneous approach is demonstrated in the table below.

Review of Operations (continued)

Table 6: Expanded Economics for 2Mtpa heap leach and 1Mtpa CIL developed simultaniously[2]

2Mtpa HL + 1Mtpa CIL		**US$1,250**
Ore processed	Mt	23
Waste mined	Mt	82
Grade heap leach	g/t	0.92
Grade CIL	g/t	2.54
Grade CIL first 3 years	g/t	2.80
In-Pit Resources / Reserves	Moz	1.1
Avg gold produced	oz/year	133,000
Strip ratio	W:O	3.5:1
Initial capital cost	US$M	85
Sustaining capital LOM	US$M	30
Upgrade / 1Mtpa CIL capital	US$M	45
Average gold recovery	%	87.5%
Current life of mine	years	7.0
LOM revenue (net of refining costs)	US$M	1,160
Project cash flow	US$M	232
$NPV_{5\%}$ after tax [A]	A$M	210
IRR after tax	%	42%
Cash costs/oz (C1) [B]	US$/oz	707
All-in Sustaining Costs (AISC) [C]	US$/oz	800

[A] Exchange rate for US$:A$ of 0.78c
[B] C1 cash costs as set out by Mackenzie Wood
[C] All-in sustaining costs (AISC) includes C1 cash costs, royalties, refining and sustaining capital costs

The study work has shown that the best economic outcome for the Banfora Gold Project is obtained with the 2Mtpa Heap Leach and the 1Mtpa CIL combined from the start of development.

With the current difficult gold market conditions Gryphon is continuing with the path to develop the heap leach project as a standalone operation given the benefits of lower up-front capex and quicker development time-frame. Retaining this optionality gives Gryphon the flexibility to develop a low-capex project via a more manageable funding solution, in turn allowing the 1Mtpa CIL circuit to be added at a later date.

A gold price of US$1,250 per ounce was used for pit optimisations and base case financial modelling, mirroring the approach taken in the Feasibility Study. This expansion scoping study includes Inferred resources in addition to Measured and Indicated; with Inferred resources making up just over 2% of the total in-pit resource. Sensitivity analysis undertaken predicts the HL operation has a strong resilience to a lower gold price and the expanded case shows very good upside in a rising gold price environment.

Review of Operations (continued)

Path Forward

The Company has significantly advanced its strategy of de-risking the Banfora Gold Project and moving towards gold production, with the following key milestones delivered:

- Shallow reserve infill and pre-mining grade control drilling complete which has demonstrated excellent continuity of gold mineralisation.
- Environmental permitting complete.
- Mining Licence granted by the Burkina Faso government.
- Independent studies completed proposing well-established, proven mine and HL & CIL processing technologies.
- Project debt due diligence progressed and expected to be completed in 2H 2015.

Over the coming months, the Company intends to complete the bank due diligence process in an effort to secure debt funding in the second half of 2015. This will underpin the funding solution for development of the start-up 2Mtpa heap leach facility. The Company will also complete its formal submission for a stability agreement (mining convention) with the Burkina Faso government, with timing of final sign-off from the government likely before the end of 2015.

Pre-Construction Works

Panel fabrication progressed with the completion of all latrines and housing panels for the first small village to be relocated, which sits within the area earmarked for the heap leach processing facility. Initial discussions were conducted with the department of urbanism on agreeing the location for the first site development.

Resettlement

Various panels for the early stage resettlement houses continue to be fabricated by the Company's locally trained staff. The production of toilet, kitchen and bathroom panels has been completed for the first more minor stage of the resettlement process, the area where the proposed processing facilities are expected to be built.

Picture 1: Banfora Gold Project | Locally Fabricated Panels for Resettlement Houses

Review of Operations (continued)

West Africa Regional Exploration Pipeline

Ongoing low cost exploration at highly prospective properties and targets in Burkina Faso, Mauritania and Côte d’Ivoire have the potential to bring through a pipeline of new organic discoveries for Gryphon.

Banfora Gold Project | Grade Control and Infill Drilling Program

The majority of the exploration work at Banfora focussed on a grade control and infill drilling program in anticipation of completion of debt funding. An 8m x 6m drill pattern for the grade control was conducted to achieve the planned selectivity. Drilling at the Nogbele and Fourkoura deposits were completed on the mine grade control grid. A total of 1,770 grade control holes for 50,880 metres have now been completed at the Nogbele, Fourkoura and Stinger Deposits (it is noted that the Company undertook some infill drilling in 2013/14 in addition to the 21,856 metres completed during this period).

The Reverse Circulation (RC) drilling was designed to target shallow oxide material within the existing pits on a mining grade control pattern. Drilling has been completed to a maximum downhole depth of 30m targeting oxide material only. The drilling was specifically designed to achieve:

- Confirmation of the near surface grade continuity and the geological model.
- Reconciliation with the existing resource model and expected outcomes when mining.
- De-risking of early mining areas and mining schedule through increased sample support. The infill drilling at priority Nogbele targets was completed to a grade control standard, which will support mine design for pre-strip and ore movement over the first few years of operation.
- Assistance in the delineation of short range grade structure to support the estimation of Resources.

All drilling that has been completed forms part of the operating cost for mining in the Feasibility Study.

Results from the infill drilling have confirmed the existing geological and resource models and indicated excellent grade continuity within the shoots that were drill tested. Some of the better intersections from the recent drilling are summarised below (refer ASX Announcement on 15 May 2015)[3].

Drill results include:

Nogbele Deposit	***17m @ 8.2 g/t*** *Au from 12m*
	19m @ 6.3 g/t *Au from 7m*
	16m @ 6.8 g/t *Au from 7m*
	8m @ 11.3 g/t *Au from 6 m*
	25m @ 3.4 g/t *Au from 1m*
Fourkoura Deposit	***14m @ 64.6 g/t*** *Au from 16m (including* ***1m @ 843.4 g/t****)*
	18m @ 5.8 g/t *Au from 12m*
	19m @ 5.5 g/t *Au from 3m*
	16m @ 4.5 g/t *Au from 10m*
	12m @ 5.3 g/t *Au from 0m*

Review of Operations (continued)

Stinger Deposit	***4m @ 45.6 g/t*** *Au from 6m*
	9m @ 15.1 g/t *Au from 14m*
	2m @ 56.4 g/t *Au from 2m*
	7m @ 15.4 g/t *Au from 18m*
	14m @ 7.0 g/t *Au from 2m*
Samavogo Deposit	***16m @ 3.3 g/t*** *Au from 28m*
	4m @ 13.0 g/t *Au from 5m*
	14m @ 3.7 g/t *Au from 23m*
	7m @ 5.9 g/t *Au from 47m*
	14m @ 2.7 g/t *Au from 1m*

Also completed at the time of drilling was pre-development sterilisation drilling over the location of the proposed aggregate quarry oxide pre-strip (~10m) at the Fourkoura Prospect in preparation for project commencement.

Banfora Gold Project | Low Cost Regional Exploration

4,391 metres of auger drilling has been completed on the Banfora Gold Project this year to prioritise drilling of the numerous broad strong target areas defined by previous surface soil sampling (refer ASX announcement dated 29 January 2014)[3].

The auger sampling was completed at the Bazogo, Muddi, Ouahiri South, Kafina West, Sud, Bassongoro and Nogbele NNE targets, where numerous +200 ppb gold-in-soil results, to a peak of 16,830 ppb, had been received (Figure 4). The best auger results overall were returned from Kafina West where peak assays of 3.86 g/t & 1.94 g/t gold from mafic saprolite beneath a broad halo of gold in clay zone/laterite at >200 ppb Au levels was detected over 800 metres strike and widths up to 80 metres. Other encouraging auger saprolite results included 2.47 g/t gold from mafics at Ouahiri South, 1.73 g/t gold from gabbro at Sud, 15.0 g/t gold from mafic saprolite at Bassongoro and at Bazogo a peak of 598 ppb gold from laterite.

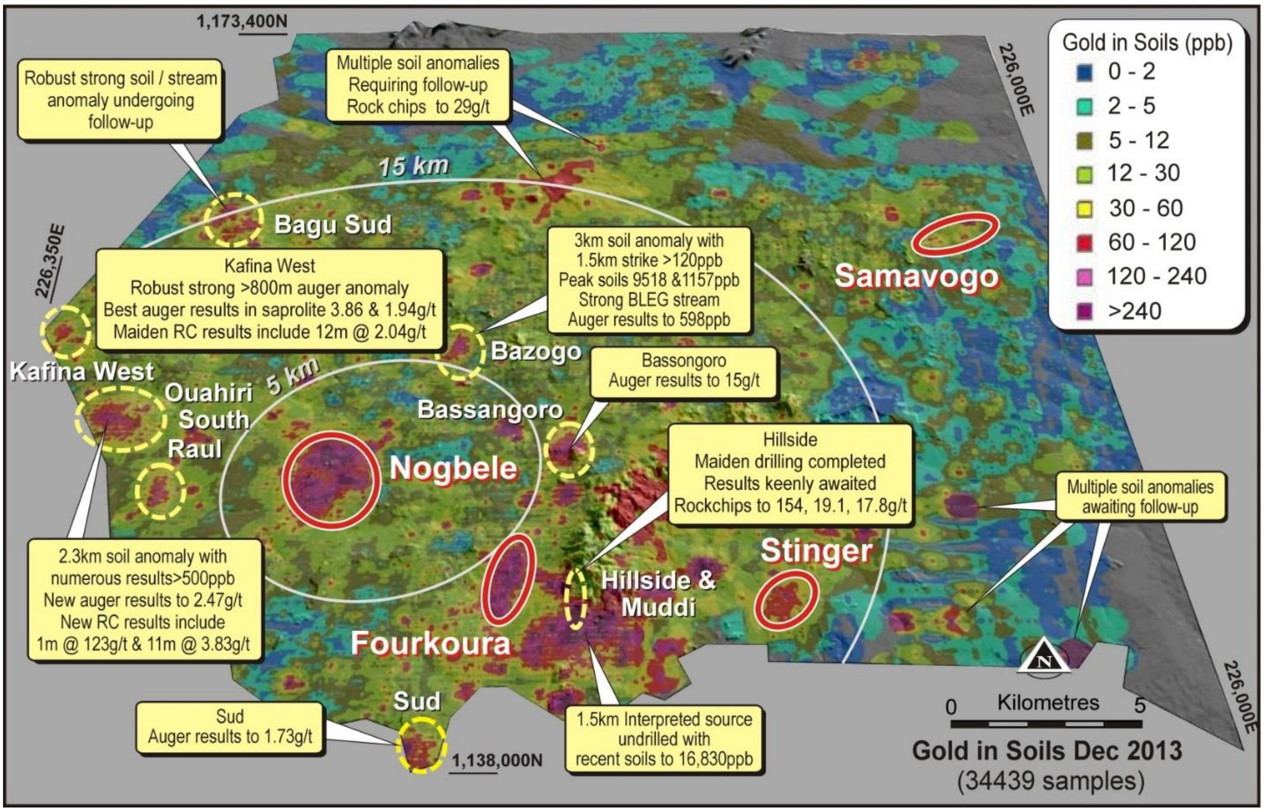
Results from the auger program were used to focus a Reverse Circulation (RC) drilling program at the Kafina and Ouahiri South Prospects. A total of 34 holes for 2,963m of RC drilling was completed at the two prospects.

At the Kafina Prospect multiple broad zones of low grade mineralisation and hematite sericite pyrite alteration were intercepted hosted in an intrusive package. Three lines of fenced drill holes were completed on broad 500 metre spaced sections targeting the northern portion of the auger anomaly.

Weathering at the prospect is greater than 40 metres vertical depth giving a deep oxide profile. The most significant drill result of 12m @ 2.04 g/t gold was intersected in the southernmost drill line, and is part of a broader continuously mineralised envelope of 36m @ 1.14 g/t gold.

Review of Operations (continued)

Figure 4: Soil Geochemical Targets at the Banfora Gold Project



Kafina Prospect is located approximately 12 kilometres west of the proposed Nogbele Heap Leach plant site, well within reasonable ore trucking distance. Mineralisation remains open to the south.

At the Ouahiri South Prospect, high grade laminated quartz veins were intercepted hosted near the contact of a granitoid intrusive and dolerite/mafic volcanic package. The main orientation of the mineralised vein sets are interpreted to be north-west striking, similar to vein sets observed at the nearby Nogbele gold Deposit.

Significant drill intersections from this drilling include:

- 11m @ 3.83 g/t gold from 53 metres in BNRC4718.
- 6m @ 3.90 g/t gold from 1 metre in BNRC4730.
- 1m @ 123 g/t gold from 66 metres in BNRC4733.

Previous drilling further to the west of the current intersections completed in January 2010, have included high grade results of:

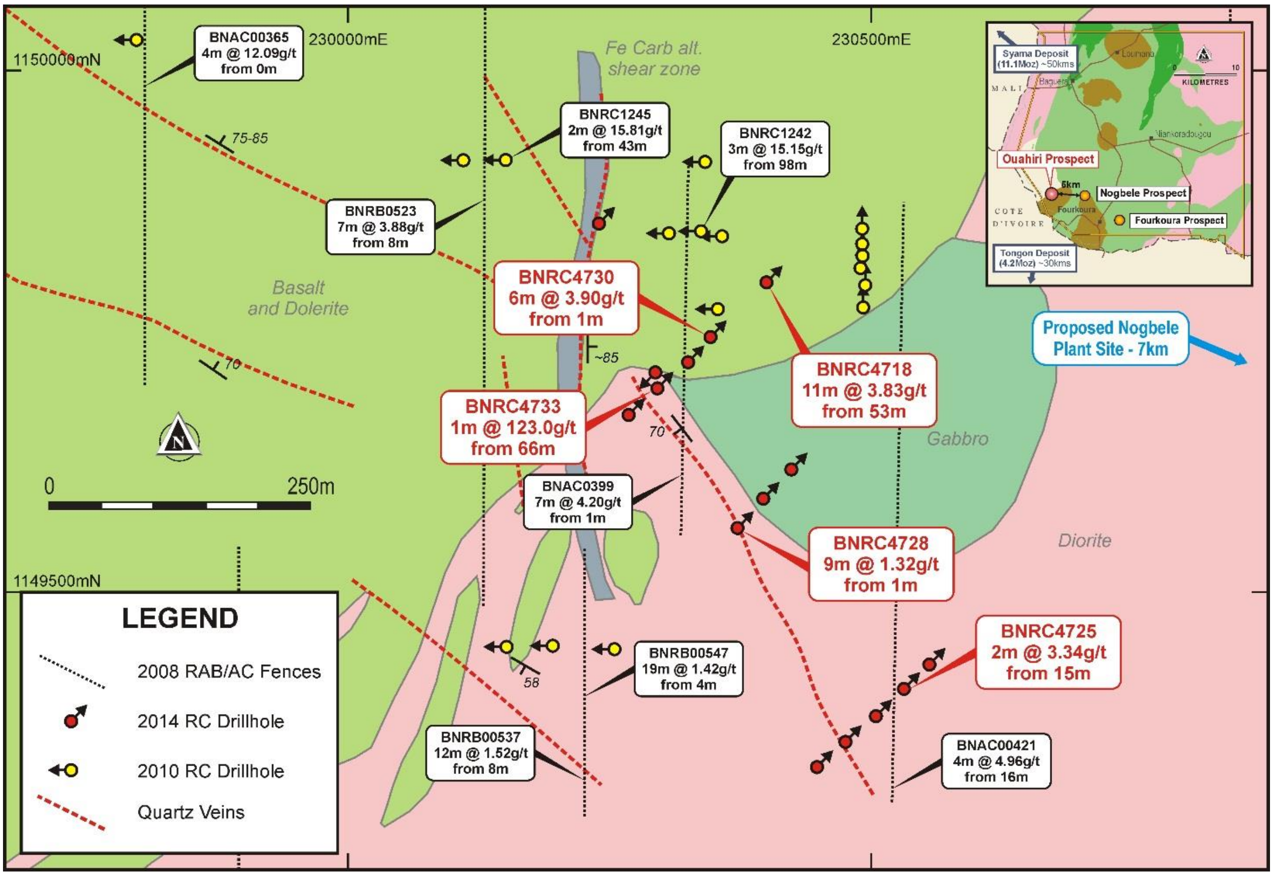
- 4m @ 11.54 g/t gold from 98 metres in BNRC1242.
- 2m @ 15.8 g/t gold from 43 metres in BNRC1245.

The weathering depth at Ouahiri South is up to 40 metres vertical depth giving good potential for oxide targeting with the prospect being located only 7 kilometres west of the proposed Nogbele Plant site.

Both drilled prospects are high priority targets for potential mineable oxide material to supplement plant feed.

Review of Operations (continued)

Figure 5: Map Showing the Location of Drilling at Ouahiri South Prospect



Burkina Faso Exploration Pipeline | Houndé Belt & Regional Projects

Golden Hill, Gourma and Tenkodogo Joint Venture (Earning up to 80%)

In March 2014, Gryphon and Boss Resources (ASX: BOE) signed a binding heads of agreement to establish a joint venture over the Golden Hill, Gourma and Tenkodogo gold projects located in Burkina Faso, totalling over 1,750 km². Refer to ASX announcement dated 4 July 2014 for full terms of the agreement[3].

Gryphon Minerals is applying proven low-cost exploration techniques to explore the tenure. The Company has completed a review of past work, acquired high resolution remote sensing datasets, completed relatively high density (>1 sample per ~6 km^2) drainage sampling, supplemented by laterite sampling, where appropriate, across all joint venture projects. This strategy is allowing the company to fast track targeting across the exploration licences. Some highly anomalous multi-point drainage anomalies have been identified on the Golden Hill and Gourma projects and these are progressively being followed up by soil and first pass auger drilling seeking the mineralised bedrock source. The Tenkodogo Project was quickly evaluated using precision drainage geochemistry with a decision reached with Boss Resources to relinquish the project as the results showed there to be very little chance that the project would contain economic mineralisation. By the end of the 2015 field season the company had collected over 16,000 soil samples and drilled nearly 1,000 auger holes for ~5,500m since commencing work on the Joint Venture. This exploration strategy is designed to direct drilling to those areas most likely to deliver a significant discovery and enable the Company to confidently release ground where appropriate geochemical techniques have been applied and the results are negative.

Review of Operations (continued)

Golden Hill Project

The Golden Hill Project is the most advanced of all the projects in the JV agreement area and is considered particularly prospective as it is located within the highly mineralised Houndé Greenstone Belt. This belt hosts the majority of the high grade discovered gold ounces in Burkina Faso, including Semafo's (TSX, OMF: SMF) recently discovered Siou Deposit (reserves of 769 koz @ 4.94 g/t gold) plus the high grade Yaramoko deposit being developed by Roxgold (TSX.V: ROG) (790 koz @ 17.15 g/t gold). The belt also hosts Semafo's Mana Mine (6 Moz) and Endeavour Mining's (TSX: EDV, ASX: EVR) 2Moz 2.0 g/t Houndé deposit (Refer Figure 7). The Golden Hill Project straddles the same structure and stratigraphy that host these high grade deposits.

A number of useful baseline datasets have been collected over the property by Boss Resources and previous explorers.

Figure 6: Gryphon Minerals Project Location Map

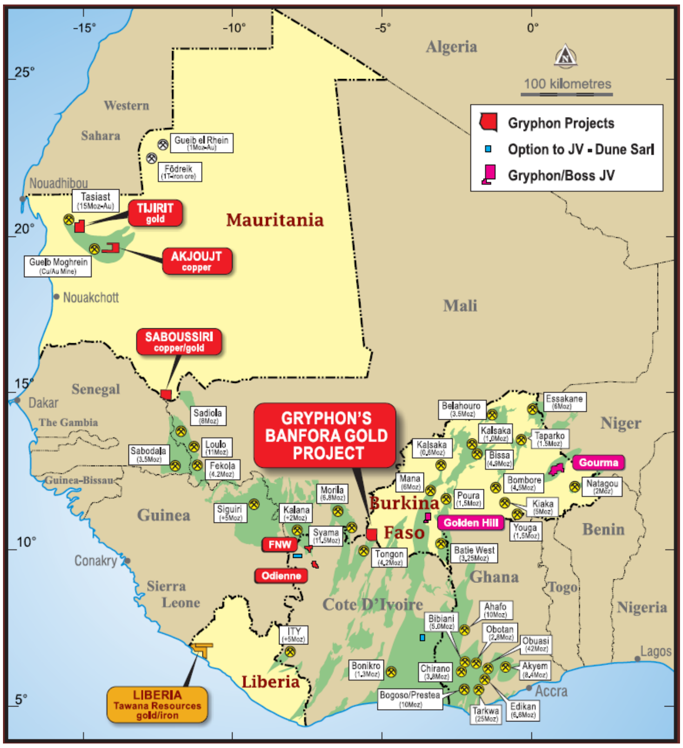
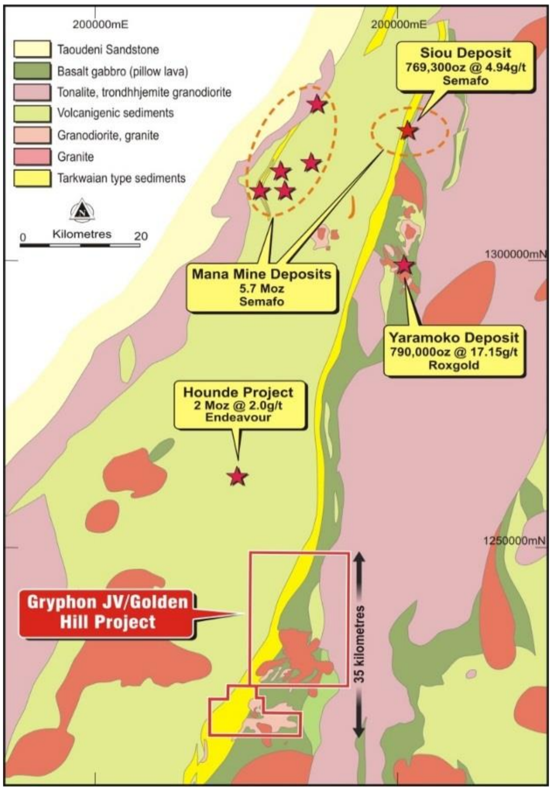


Figure 7: Golden Hill Project Location

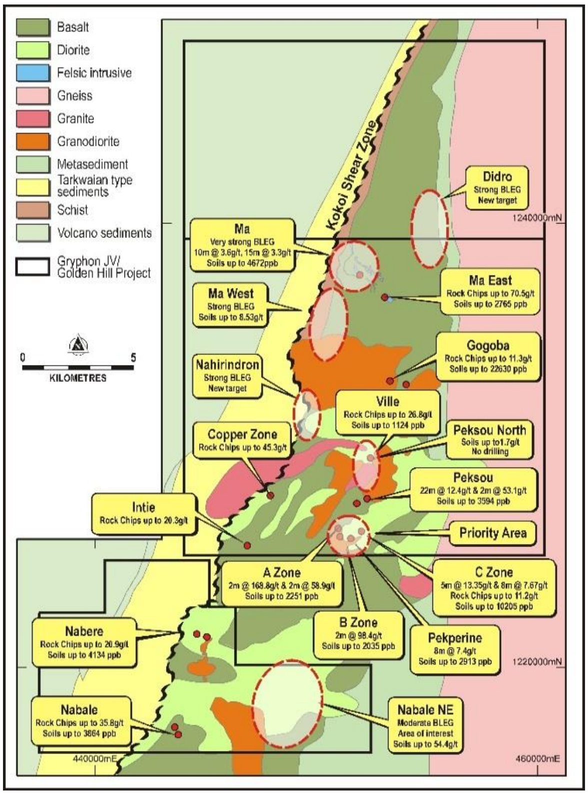


Exploration work by the Company comprised drainage, soil and rock chip sampling, auger drilling, geological mapping, remote sensing and aeromagnetic interpretations. The strategy has been two fold. Firstly to look for continuations to known mineralised shoots and ore zones, and secondly to screen the entire property seeking out and then methodically and cost effectively working up the prospects advancing them through to drill ready status.

Work at Golden Hill has focused primarily at the Ma, Peksou, Peksou North, Nahirindon North, C-Zone, Nahirindon South and Intiedougou prospects. The targets are being de-risked using the company's auger rig, seeking mineralised bedrock and the source of robust and extensive gold-in-soil anomalies to >8g/t gold as this and other prospects are worked up and prioritised across the exploration portfolio and a decision undertake drill testing.

Review of Operations (continued)

Figure 8: Golden Hill Project (refer to ASX Announcement 2 December 2014)[3]



At the Ma prospect, where the strongest evidence of significant mineralisation has been detected by Gryphon to date at Golden Hill, a total of 612 augur holes for 1,644m have been drilled returning a peak of **8.48 g/t gold** (Refer June 2015 Quarterly Report released to ASX on 27 July 2015)[3]. This anomalous auger gold-in-saprolite response is an extension of a northwest trending orpaillage which has returned multiple high grade rock chips up to 10 g/t gold (Refer June 2015 Quarterly Report released to ASX on 27 July 2015)[3]. The auger results have identified a continuation of the mineralised trend at Ma East in saprolite towards Ma, extending the trend more than 400m to the northeast.

At Intiedougou, auger drilling has confirmed the potential to extend the strike of C-Zone and identified and defined a new mineralised trend south of C-Zone, which has not been drill tested to date.

Detailed prospect mapping was undertaken in the Ma region with a particular focus on the undrilled Ma North zone which consists of around 1km of semi-continuous shallow orpailleur pits into mafic schist. This zone is one of three west-northwest striking structures which intersect a major structure here termed Ma West. The Breccia zone is a narrow zone of intense hydrothermal breccia with abundant sulphide while the Big Dyke zone is an orpaillage trend focused along the sheared margin of a large granitic dyke with rock chips up to 6 g/t gold (Refer June 2015 Quarterly Report released to ASX on 27 July 2015)[3].

Soil sampling on the Mogue Prospect area returned an exceptionally high result of **54.4 g/t gold** (Refer June 2015 Quarterly Report released to ASX on 27 July 2015)[3] from a single line of sampling upstream of an anomalous BLEG stream within the Nabele NE Prospect. The significance of the result is still to be determined.

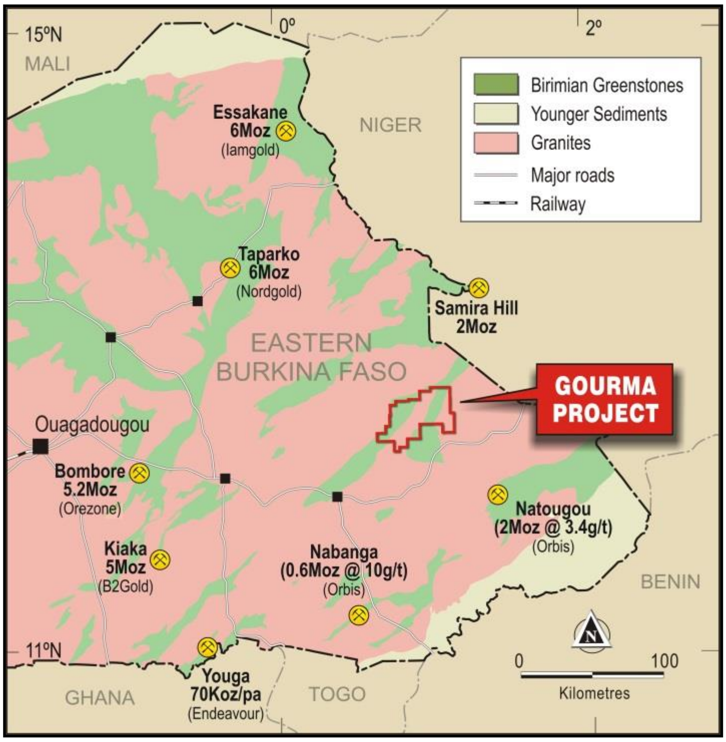
Gourma Gold Project

The Gourma Project includes approximately 60km of a gold bearing crustal shear which has received very little modern exploration. The Project is located within the Fada N'Gourma Greenstone Belt, 250km east of Ouagadougou and only 80 km south-southwest of Niger's largest gold deposit, the 50,000 ounce per annum Samira Hill gold mine (1.9 million ounce project). The Project consists of six contiguous permits (Diabatou, Tyara, Foutouri Boutouanou, Tyabo and Kankandi) that cover a total area of approximately 1,300 km². It is accessible from the south off the Fada N'Gourma-Kantchari highway via a well maintained gravel road and from the west via a gravel road from the town of Gayeri.

Boss Resources were the first modern explorers on the property. Between 2010 and 2013 they completed a detailed aeromagnetic survey and extensive, mostly broad spaced reconnaissance style geochemical work involving several methods including soil, auger and rock chip sampling.

Review of Operations (continued)

Figure 9: Gourma Project Location Map

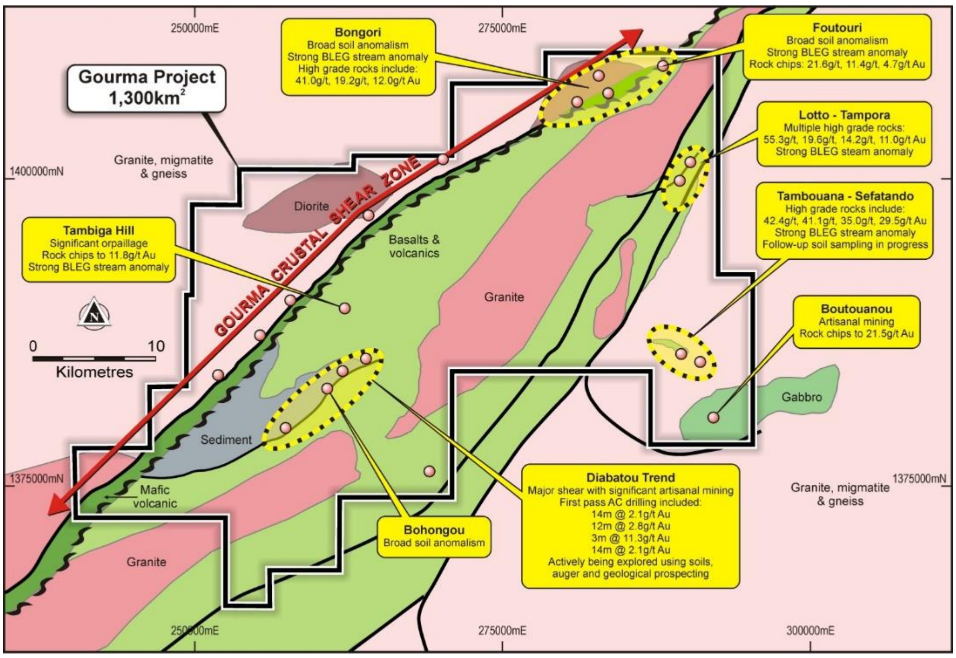


Work by Gryphon to date includes a regolith terrain and aeromagnetic interpretation, detailed BLEG stream sampling and selective lateritic lag sampling), as well as 8525 soil samples plus preliminary **shallow auger drilling** which has returned a peak result of **27.5 g/t Au in saprolite** (Refer ASX Announcement 17 February 2015)[3].

The overall objective for the year was to "get out and cover" the entire large tenement package, identifying and then beginning the process of prioritising the prospects for eventual drill testing. This approach reduces the chance of missing the most significant mineralised zone by avoiding the trap of becoming too focused on one particular prospect too quickly. All the indications to date are that the Gourma Project has multiple gold mineralised zones, some with anomalous base and pathfinder element concentrations and that the geology and geochemistry are all indicative of having the right signs for hosting economic mineralisation ranging from narrow high grade through to broader disseminated gold mineralisation targets.

The BLEG stream and lag results confirm the Gourma shear zone (GSZ) to be associated with some highly anomalous drainage geochemistry which progressively the company is following up on, building off the work by Boss, to locate robust prospects, understand the geological setting and alteration and progressively locate and define the mineralised bedrock .

Figure 10: Gourma Project Geology and Prospects Overview



Review of Operations (continued)

Geological observations and samples obtained during these field campaigns are assisting with the geological understanding, including recognition and understanding of the mineralisation styles and associated pathfinder elements, as well as the potential controls to mineralisation. The small efficient exploration team are rapidly working towards generating high quality drill targets across the large land package.

Along the Gourma shear zone there are numerous artisanal workings. Geochemical sampling by Boss utilised both soil and auger geochemistry, identifying a number of prospects which received various levels of follow-up but no substantial drilling. The Bongori South prospect returned historic rock chips to 41.0g/t, 19.2 g/t and 12.0g/t gold. 12km to the east the Foutori Prospect returned peak rock chip results of 21.6 g/t, 11.4 g/t and 4.7 g/t gold.

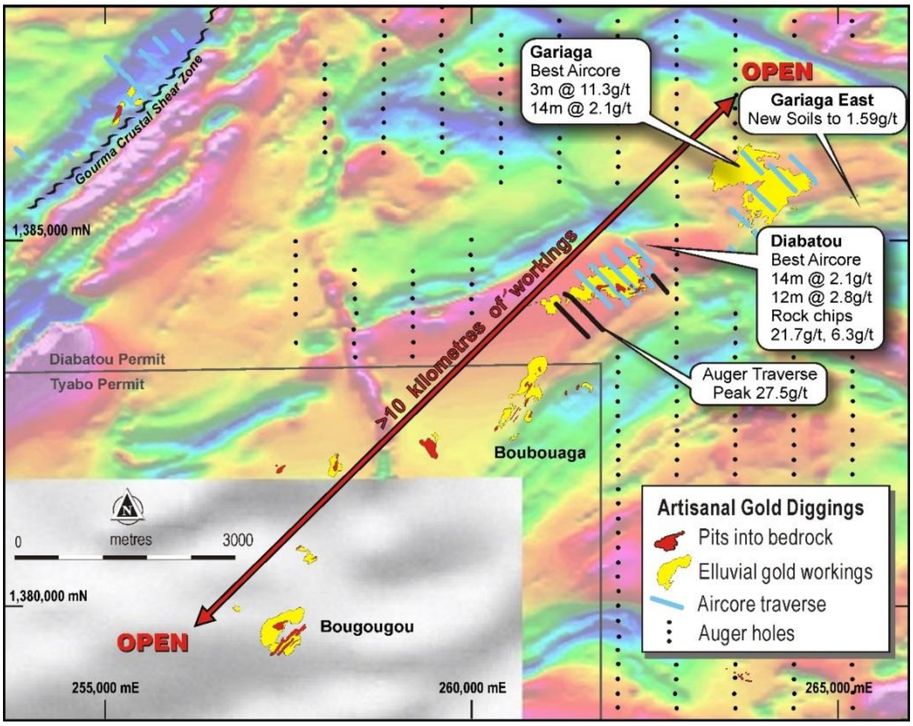
Gariaga-Diabatou Trend – Multiple Targets

There are numerous gold workings along the trend, extending over a strike length exceeding 10km. First pass drilling by Boss in 2012 returned best aircore results of **3m @ 11.3g/t gold** and **14m @ 2.1g/t gold** from Gariaga, and **14m @ 2.1g/t gold** and **12m @ 2.8 g/t gold** from the Diabatou Prospect. (Refer to ASX:BOE Announcements on 4 December 2012 and 30 January 2013).

The Gariaga deposit is hosted in mafic schist and extends to the southwest beyond a contact with metasediments. Common to both prospects is mineralisation associated with quartz tourmaline veins. The metasediments comprise foliated volcanic sandstone and phyllite, carbonaceous shale and deeply weathered feldspathic semi-schist with lesser amounts of feldspar porphyroblastic schist. There is a quartz rich sandstone (quartz arenite) containing conglomeratic bands in the south west portion of the trend. Mineralisation in all three trends consists of grey, glassy to smokey quartz veins and disseminated mineralisation associated with shearing and silicified zones. This style of mineralisation represents a highly prospective target for hosting broad zones of mineralisation. The disseminated and silicified zones are strongly associated with sericite and pyrite alteration with some malachite and chalcopyrite observed along the trend.

Recent soil sampling has continued with a single spur line to the east, following up on anomalous lag samples collected by Gryphon in 2014, returning 1.59g/t gold.

Figure 11: Gariaga – Diabatou Trend



Review of Operations (continued)

Foutouri, Lotto, Tambouana, Boutounou – Eastern Target Areas

A number of prospects with high grade surface mineralisation had previously been identified by Boss Resources in the east and southeast of the project. In the far southeast of the tenement package the Sefatendano and Tambouana (S-T) Prospects are present in northwest striking structures within sheared and altered granite and in gabbro respectively. The high grade veins in the gabbro were sampled by Boss returning peak results of 42.4 g/t, 35.6 g/t and 12.2g/t gold.

Other West African Projects

Mauritania | Tijirit Gold Project (Gryphon 100%)

Mauritania is a major province for gold, copper and iron ore. The 100% owned Tijirit Gold Project is located in North-west Mauritania and covers approximately 1,400 square kilometres of contiguous exploration licenses.

Field work has been limited to the collection and analysis of 1,386 pXRF soil samples at the Eleanor prospect following up on a desk top study which identified arsenic values (>1,000ppm) recorded by portable XRF within gold mineralised drill pulps from the main Eleanor prospect. The Eleanor Prospect has returned the broadest high grade drill intercepts on the property including **6m @ 17.63 g/t gold** from 10m and **1m @ 17.70 g/t** gold from 14m and trenches along strike at Eleanor that include 8m @ 4.19 g/t gold in T9A, 6m @ 7.35 g/t gold in T62, 2m @ 9.85 g/t gold in T40A - 2m @ 10.10 g/t gold in T64 (Refer ASX Announcement 5 August 2013)[3].

Gryphon's exploration work has identified multiple high priority gold targets with similar host lithology, alteration and structural settings to the nearby world class 15 million ounce Tasiast Gold Mine operated by Kinross Gold Corporation.

During the financial year ended 30 June 2015 $3.05 million was spent on exploration and support activities at the Group's Mauritanian project areas.

Mauritania | Akjoujt Copper/Gold Project (Gryphon 100%)

The 100% owned Akjoujt Copper/Gold Project is located 30 kilometres to the west of the Guelb Moghrein copper/gold mine operated by First Quantum Minerals Ltd. The project area covers approximately 750 square kilometres of contiguous exploration license area.

Work continued to focus around the Tabrenkout and Camel Prospects where a sample collected last year returned values to **20.9% copper**, **6.1 g/t gold** and **14.1 g/t silver** (refer ASX Announcement dated 5 March 2014)[3] from outcropping iron carbonate. The Tabrenkout prospect has been subject to limited drilling and trenching by previous explorers including the BRGM and Normandy La Source in the mid-1990s.

Gryphon undertook several phases of soil, rock chip and general prospect mapping on the property during the year. Soil samples have been collected on an 80 x 40m grid (locally closed down to 80m x 20m grid) over more than 5 km of strike. The samples were analysed using a portable XRF purchased by the company. This sampling is on-going and will be used to prioritise drill targets. A suite of rock chip samples have been collected from newly identified zones with visible signs of copper mineralisation away from previous trenching or drilling.

Review of Operations (continued)

Analytical results of rock chips samples collected, as part of the pXRF soil sampling at Tabrenkout and the Camel Prospect (located ~15km east of Tabrenkout) have returned some highly encouraging results. The rocks chip samples, analysed at a commercial laboratory using conventional analytical techniques, returned up to **60.5 g/t gold** and **8.67 % Cu with 8.36 g/t gold and 2.43 g/t silver** (Refer March 2015 Quarterly Report released to ASX on 30 April 2015)[3] from massive iron carbonate.

Table 7: Recent rock chip results from Akjoujt project

SampleID	Sample Type	Lithology	Easting	Northing	Prospect	Cu (%)	Ag (g/t)	Au (g/t)
B046358	Rock chip	Fe Carb	597536	2180495	Tabrinkout	**8.67**	2.43	**8.36**
B046359	Rock chip	Fe Carb	597337	2179855	Tabrinkout	**7.44**	2.34	**9.19**
B046360	Rock chip	Qtz vein	597290	2179767	Tabrinkout	**1.16**	2.83	**60.50**
B046361	Rock chip	Qtz vein	597554	2179640	Tabrinkout		3.75	**6.42**
B046373	Rock chip	Qtz vein	609675	2180083	Camel	**2.84**	**20.9**	**0.638**
B046374	Rock chip	Qtz vein	609759	2180080	Camel	**4.16**	7.22	0.091
B046376	Rock chip	Qtz vein	609803	2180050	Camel	**4.68**	43	0.071

Mauritania | Saboussiri Copper/Gold Project (Gryphon 60%)

The Saboussiri Copper/Gold Project is located in Southern Mauritania and covers approximately 1,000 square kilometres of continuous exploration licenses.

At the Diaguili copper and gold prospect, mineralisation is related to the northeast trending sheared jaspilite and sericite-schist which occurs in thrust sheets extending over ultrabasic rocks.

Within the oxide zone, mineralisation consists of malachite, chrysocolla, covellite, chalcocite and rare bornite. Primary zone minerals are chalcopyrite, +bornite +digenite +/-chalcocite +pyrite +hematite +magnetite +pyrrothite +sphalerite within a silica and carbonate altered schist. The geometry of the mineralisation is thought to be controlled by the last folding event with copper concentrated along the hinge of the axial plane cleavage or fold with mineralisation interpreted to thicken on the hinge and thin along the limbs.

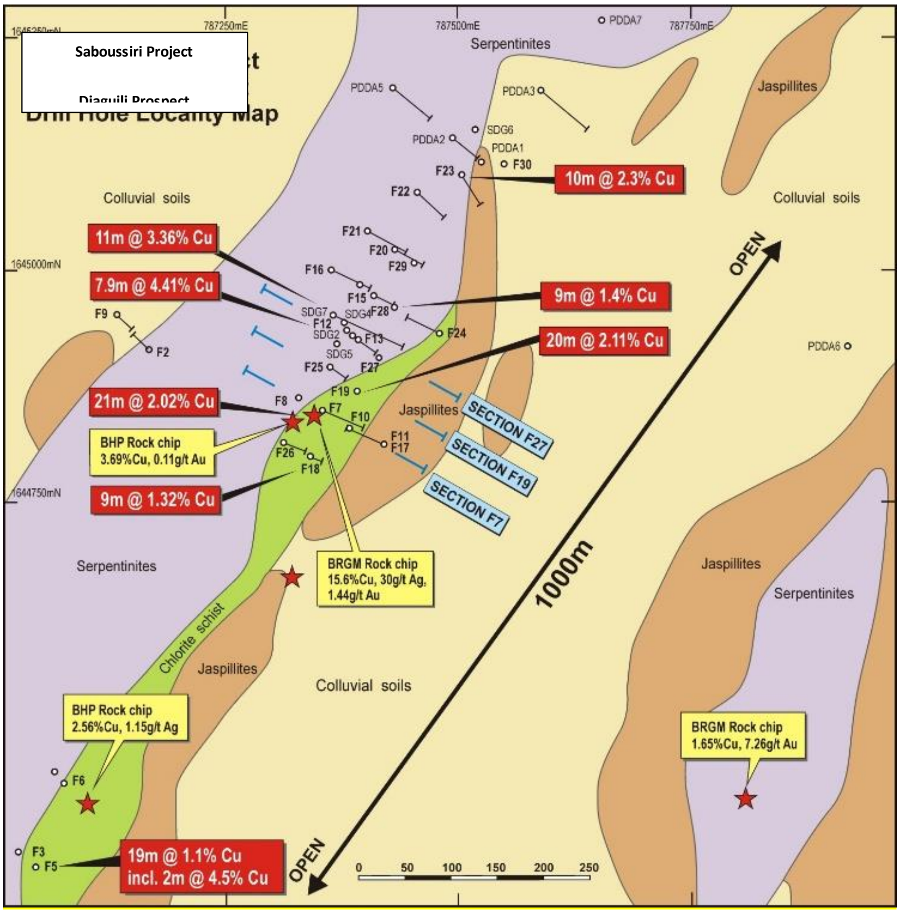
Best historical copper drill results from this target area include: **22.3m @ 2.10% copper** from 48m (incl **11.25m @ 3.36% copper**), **12.7m @ 2.94% copper** from 60m (Incl **7.90m @ 4.40% copper**), **35m @ 1.44% copper** from 1m (Incl. **20m @ 2.10% copper**) and **33m @ 1.43% copper** from surface. (Refer ASX Announcement on 12 December 2014).[3]

There are a total of 45 historic Reverse Circulation (RC) and Diamond (DD) drill holes that have been identified and are now within the Company's database with copper assays. The holes were drilled by the BRGM in 1975 and General Gold in 1996. As drill chips and original assays for these are no longer available for independent checks, historical results have not been verified by Gryphon Minerals staff. Gryphon geologists have visited the prospect and located the historical collars present in the database and reported indications of copper mineralisation at surface within the sericite schist, where it outcrops on two low hills. Shallow lithic rich soil and close spaced bedrock chip sampling traverses have also been completed by Gryphon geologists, with samples read by the portable XRF. The results of these traverses support the presence of surficial copper mineralisation with some locally strong silver responses consistent with historical rock chips reported by the BRGM and BHP Minerals.

Gryphon has collected lateritic lag and BLEG stream samples (refer ASX release 17 July 2014)[3] from the surrounding area. Both confirm copper, nickel and gold mineralisation at new target areas outside of the existing drilling on the Diaguili prospect. These target areas are currently being better defined for walk up drill targets through the Company's continued low cost exploration techniques undertaken this year. Historical geophysical datasets, including Electromagnetic (EM) and Induced Polarisation (IP) data are also being utilised to assist with drill target delineation.

Review of Operations (continued)

Figure 12: Diaguili Prospect Drill Hole Locations Targeting Outcropping Copper Mineralisation



Côte d'Ivoire

The company was granted two exploration permits in NE Cote d'Ivoire during the year extending over 800 km^2. These have been systematically explored using low cost high precision drainage geochemistry supported by high quality remote sensing imagery interpretation. The results obtained clearly show that one property has little chance of hosting economic mineralisation while the other has only a low likelihood of significant prospects. A further 800 km^2 was explored under an option to JV with a local partner and a decision was reached by year end to terminate the option after completing detailed drainage geochemistry and follow-up soil sampling using pXRF over a potential base metal target.

The company is a member of AMIRA (Australian Mineral Industries Research Association) and sponsor of the WAXI (West Africa Exploration Initiative) project. This forms part of Gryphon's project generation and longer term growth strategy within West Africa. This association also benefits exploration at Banfora and Gourma Projects through involvement of World Class geological researchers visiting and interacting with the company's explorers.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company other than those outlined in the Review of Operations.

Likely Developments & Expected Results

Financing the Development of Banfora

The Company is undergoing due diligence as part of securing project debt for the development of Banfora. The company is aiming to complete the due diligence process and obtain credit approval. The Company also anticipates an equity raising will be needed to finalise the development of Banfora.

The success and pricing of any such equity raising and/or debt financing will be dependent upon the prevailing market conditions at that time and the availability of debt and equity financing to a company. Project debt will involve financial covenants upon the Company and its operations. If the Company cannot obtain such additional capital, the Company may not be in a position to complete the development of the Project or further explore any newly discovered mineral deposits or may be required to reduce the scope of any expansion which could adversely affect its business, operating results and financial condition.

Ongoing Value-add Exploration Programs

The Company is continuing to explore regionally at Banfora and at its prospective project areas in the Boss JV tenure, making the most of the downturn in the industry which provides numerous advantages including unprecedented availability and reduced rates from contractors, consultants and suppliers. By continuing low cost exploration the Company will be well prepared for when the industry returns to more normal levels of activity and come out of the downturn with an enhanced portfolio of exploration properties and drill ready targets. Specifically the company will be:

- generating numerous prioritised inexpensive 'drill ready' targets through phased geochemical sampling and mapping undertaken by our highly skilled geological team;
- at Banfora the focus will be on locating probable new shallow high grade oxide ore within a short distance of the planned HL operation;
- advancing our geological knowledge through the use of geochemical and spectral technologies seeking the most robust parts of the mineralised system at Banfora with the potential to add significantly to the mine life; and
- analysis and release of cost effective phased new drainage, soil and shallow auger geochemical zones from the district targets at Banfora, Mauritania and across the Boss JV tenure.

There are no further likely developments of which the directors are aware which could be expected to significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed above, in the Review of Operations, Matters Subsequent to the End of Financial Year and sections of the Directors' Report.

Audited Remuneration Report

A. Introduction

This remuneration report sets out the remuneration information for Directors and Key Management Personnel ('KMP') of the Company for the year ended 30 June 2015. KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly including any director (whether executive or otherwise) of the parent.

The information provided within this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

To help preserve the company's healthy cash position, the Board spent appropriate time focusing on its remuneration framework and policy reflecting on past feedback from stakeholders and significant cost reduction measures.

The Company has continued to listen to shareholders and as a result at the 2014 AGM, 97% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2014.

Specifically the Company implemented the following remuneration initiatives:

Non-Executive Directors

- **As at 1 July 2015, all Non-Executive Directors have agreed to a voluntary 25% reduction in fees. This is their second voluntary fee reduction in the past 2 years totalling 40% in reductions.**
- **No additional fees were paid to Non-Executive Directors for Board Committee memberships.**
- **The number of Non-Executive Directors has remained at three.**

Key Management Personnel

- **As at 1 July 2015, a further voluntary reduction in the Managing Director's base salary of 10%. This is the second year in a row for the Managing Director to take a voluntary reduction in salary totalling 28% over two years.**
- **As at 1 July 2015, all other KMP agreed to receive 10% of their base salary in shares, rather than cash.**
- **Continued salary freeze on the base salaries of all KMP (fourth consecutive year).**
- **The short-term incentive plan remains suspended (second consecutive year).**

Although current market conditions present some challenges, Gryphon remains in a strong financial position with a healthy cash balance and a strategy in place to preserve funds through reducing overheads and stringently managing costs while still managing to de-risk, get ready and add value to the Banfora Gold Project.

The individuals included in this report are:

Non-Executive Directors

Mr M Ashton	Non-Executive Chairman
Mr D Murcia	Non-Executive Director
Mr B McFadzean	Non-Executive Director

Executive Director

Mr S Parsons	Managing Director

Key Management Personnel

Mr S Zaninovich	Chief Operating Officer
Mr M Naylor	Chief Financial Officer
Mr M Bowles	Head of Corporate Development (Resigned 19 December 2014)

All Directors and KMP held their positions for the entire financial year and up to the date of this report unless otherwise stated.

Audited Remuneration Report (continued)

B. Remuneration Governance

During the reporting period the Board suspended the Nomination and Remuneration Committee due to the reduced size of the board. It was deemed appropriate for remuneration matters to be discussed during meetings of the full board, with directors excluded from individual discussions as required. The Board will continue to assess the Company's circumstances and reinstate the Nomination and Remuneration Committee when deemed appropriate.

The Board (operating under the formal charter of the Nomination and Remuneration Committee) is responsible for reviewing and recommending the remuneration arrangements for the Executive and Non-Executive Directors and KMP each year in accordance with the Company's remuneration policy. This includes an annual remuneration review and performance appraisal for the Managing Director and other executives, including their base salary, short and long-term incentives, bonuses, superannuation, termination payments and service contracts.

Further information relating to the role of the Nomination & Remuneration Committee, which has now been assumed by the Board, can be found within the Corporate Governance section of the Company's website, www.gryphonminerals.com.au.

C. Remuneration Framework

The Board recognises that the Company's performance and ultimate success in project delivery depends very much on its ability to attract and retain highly skilled, qualified and motivated people. At the same time, remuneration practices must be transparent to shareholders and be fair and competitive taking into account the nature and size of the organisation and its current stage of development.

"The Board spent considerable time focusing on its remuneration framework and policy reflecting on past feedback from stakeholders and significant cost reduction measures."

The approach to remuneration has been structured with the following objectives:

- to attract and retain a highly skilled executive team at a critical stage in the Company's development of its projects who are motivated and rewarded for successfully delivering the short and long-term objectives of the Company, including successful project delivery;
- to link remuneration with performance, based on long-term objectives and shareholder return, as well as critical short-term objectives which are aligned with the Company's business strategy;
- to set clear goals and reward performance for successful project development in a way which is sustainable, including in respect of health & safety, environment and community based objectives;
- to be fair and competitive against the market and with an appropriately defined industry peer group;
- to preserve cash where necessary for exploration and project development, by having the flexibility to attract, reward or remunerate executives with an appropriate mix of equity based incentives;
- to reward individual performance and group performance - thus promoting a balance of individual performance and teamwork across the executive management team and the organisation;
- to have flexibility in the mix of remuneration, including offering a balance of conservative LTI instruments such as performance rights and more highly leveraged instruments such as options or share appreciation rights to ensure executives are rewarded for their efforts, but also share in the upside of the Company's growth and are not adversely affected by tax consequences; and
- to recognise executives are taking on significant personal risk, hardships and challenges faced in pursuing Gryphon's business objectives in often remote offshore locations and in uncertain economic conditions.

Overview of Remuneration Framework

The remuneration framework provides a mix of fixed and variable "at risk" remuneration and a blend of short and long-term incentives.

The remuneration for executives has three components:

- Fixed remuneration, inclusive of superannuation and allowances;
- STIs under a performance based cash bonus incentive plan; and
- LTIs through participation in the Company's shareholder approved equity incentive plans.

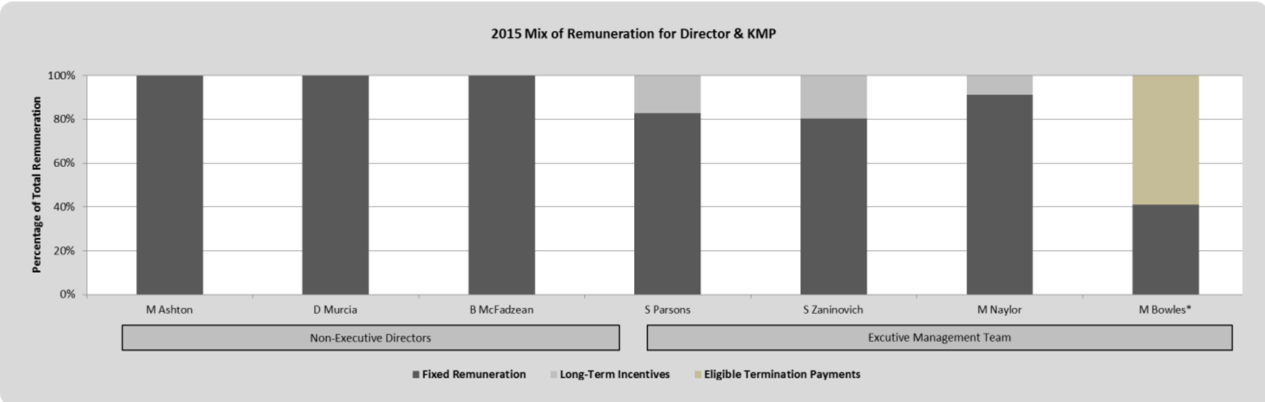
Audited Remuneration Report (continued)

These three components comprise each executive's total annual remuneration. In 2012 the Company sought an independent review from PwC on how its remuneration framework conformed to general market practice and against a comparative group of similar companies. This information was used by the Company to review and fine tune its current remuneration framework.

As part of the remuneration framework, the Company adopted a shareholder approved Equity Incentive Plan ('the Plan') in November 2012. The Plan has enabled the Company to offer executives each year a mix of performance rights and/or share appreciation rights, subject to achievement of internal performance and total shareholder return outcomes achieved progressively over a three year vesting period.

Remuneration Mix

To link executive remuneration with the Company's performance, the Company's policy is to endeavour to provide an appropriate portion of each executive's total remuneration as "at risk". The following graph sets out the mix of remuneration for all KMP between fixed, short-term incentives and long-term incentives for the 2015 financial year.



* Mr Bowles resigned effective 19 December 2014.

D. Non-Executive Director Remuneration

There were no increases in fees for Non-Executive Directors for FY15. In fact, the Non-Executive Directors, as part of the Company's cost reduction measures, have agreed to reduce its fees payable by 25% effective 1 July 2015. This is the second Non-Executive Director fee reduction in the past 2 years. In addition, no options or other equity based instruments were granted to Non-Executive Directors in the relevant period.

The policy of the Board is to remunerate Non-Executive Directors in the form of directors' fees at market rates for comparable companies based on their time, commitment and responsibilities. Fees for Non-Executive Directors are not linked to the performance of the Company to maintain independence and impartiality. In determining competitive remuneration rates, the Board have historically reviewed local and international trends among comparative companies and the industry generally.

Non-Executive Director fees are also determined within an aggregate fee pool which is subject to approval by shareholders. The aggregate fee pool is currently set at $500,000 per annum which was last approved at the Annual General Meeting in November 2009. As at the date of this report the level of total Non-Executive Director remuneration actually paid remains below the maximum amount payable.

No additional fees are currently paid to any Non-Executive Directors for membership of a committee, although this may change in the future as the Company evolves from pure exploration into development and a producer and as the responsibilities and commitments required of Non-Executive Directors increase.

Audited Remuneration Report (continued)

	Directors Fees FY16[1]	Directors Fees FY15	Directors Fees FY14[2]	Directors Fees FY13
Chairman	$72,000	$96,000	$96,000	$120,000
Other Non-Executive Directors	$45,000	$60,000	$60,000	$75,000

[1] Effective 1 July 2015

[2] Effective 1 August 2013

Fees paid do not include any required statutory payments such as superannuation, GST, and payroll tax. The Company does not pay retirement allowances to Non-Executive Directors in line with ASX Corporate Governance Recommendations.

E. Executive Remuneration

Fixed Remuneration

In FY15 the Company continued its remuneration freeze on the base salaries of all executives. This was the fourth consecutive year that executives did not receive an incremental adjustment to base salaries.

The base salary of the Managing Director was voluntarily reduced by a further 10% (effective 1 July 2015) and two other executives, Messrs Zaninovich and Naylor, voluntarily agreed to receive 10% of their base salary in shares, rather than cash, with effect from 1 October 2015. These cost reduction initiatives have been agreed by these executives to demonstrate their commitment to the Company during difficult market conditions.

"The Company continued its remuneration freeze on base salaries of all executives. Further cost reduction initiatives have been agreed by executives to demonstrate their commitment to the Company during difficult market conditions. "

Further to this, during the FY15, Messrs Zaninovich and Bowles (resigned 19 December 2014), agreed to receive 10% of their base salary in shares, rather than cash until 31 December 2014.

All executives receive a fixed base cash salary and other associated benefits. All executives also receive a superannuation guarantee contribution required by Australian legislation which was 9.5% in FY15. No executives receive any retirement benefits.

Fixed remuneration of executives will be set by the Board each year and is based on market relativity and individual performance. Market relativity is benchmarked against a defined "remuneration peer group" of listed comparable companies to ensure that fixed remuneration is fair and competitive with the market in which the Company operates. The remuneration peer group adopted for FY15 is stated in section I of this report and is fundamentally based on companies in the exploration and mining sector with similar issues in respect of organisational size, geography, life cycle and complexity.

In setting fixed remuneration for executives, individual performance, skills, expertise and experience are also taken into account to determine where the executive's remuneration should sit within the market range. Where appropriate, external remuneration consultants will be engaged to assist the Board to ensure that fixed remuneration is set to be consistent with market practices for similar roles.

Fixed remuneration for executives will be reviewed annually to ensure each executive's remuneration remains fair and competitive. However, there is no guarantee that fixed remuneration will be increased in any service contracts for executives.

Short-term Incentives

In July 2013, the Company suspended its STI plan.
For the FY15 year, no STI payments were made to executives.

"The Company's STI Plan has remained suspended since 1 July 2013."

Under the Company's remuneration policy, the Managing Director and other executives were eligible to earn short-term cash bonuses upon achievement of significant performance based outcomes aligned with the Company's strategic objectives at that time. However a decision has been made not to award STI payments for this year. These performance based outcomes are considered to be an appropriate link between executive remuneration and the potential for creation of shareholder wealth.

Audited Remuneration Report (continued)

The objective of the STI Plan is to provide the opportunity to earn a cash bonus by rewarding those executives who successfully achieve in the opinion of the Board the critical short-term objectives of the Company over a 12 month period. Those short-term objectives for each executive are pre-determined and approved by the Board each year as being aligned with the Company's stated strategy to derive shareholder return.

STI's will generally consist of annual cash bonuses paid on the following basis:
(i) Performance will be measured over a 12 month period each year.
(ii) A maximum threshold will apply for each executive expressed as a % of their fixed remuneration depending on their role and seniority in the executive management team – this will be benchmarked against market data from comparable companies in the "remuneration peer group".
(iii) STIs will be paid at the discretion of the Board, but must be demonstrably linked to performance against critical pre-determined short-term goals of the Company.
(iv) A combination of group and individual goals may apply for each executive with weightings for each goal approved by the Board - the number of short-term goals per participant will take into account the executive's role, responsibility and seniority - greater weighting is placed on more important goals.
(v) Performance will be measured on a 'balanced score card' approach at the end of the 12 month performance review period. This will involve a performance score being allocated to the executive and the Board making a determination of the amount of the STI to be paid out.

Long-term Incentives

No LTI's were issued to the Managing Director or Executives during FY15.

As part of the Company's remuneration policy and framework, the following principles apply for grants of LTIs issued under any of its shareholder approved LTI plans:
- Grants of non-cash LTIs will be made annually, and subject to a maximum percentage threshold amount of fixed remuneration.
- Larger ad hoc grants of LTIs are to be discouraged, however given the Company's current stage of development, they may be granted where considered appropriate by the Board as necessary to attract senior executives who have no significant exposure to equity.
- LTIs will only vest subject to performance measured against longer-term internal and external performance measures (i.e. vesting conditions) measured over a three year vesting period.

LTI awards are generally limited to executives, senior in-country managers and other key employees approved by the Board who influence or drive the strategic direction of the Company. However, due to the salary freeze, LTI's were issued to staff in FY14.

Executive LTI's were cancelled during the year (except part of the Managing Director) as performance hurdles were not achieved or were highly unlikely of being achieved.

LTI's set for the FY14 year for the Managing Director and other executives were capped as a percentage of fixed remuneration and subject to predetermined performance and time based vesting conditions with each hurdle having a specific weighting attached. The table below sets out the number of LTI instruments issued in 2014.

	Share Appreciation Rights Issued[5]
Mr Parsons[1]	10,000,000
Mr Zaninovich[2]	6,000,000
Mr Bowles[3]	3,600,000
Mr Naylor[2]	2,900,000
Mr Cicanese[4]	3,600,000

Share appreciation rights ("SARs") are a right to receive a number of shares equal in value to the appreciation in the Company's share price over a specified period of time.

SARs are valued based on likely future share price movements as well as a weighted probability of satisfaction of associated internal performance conditions.

[1] As approved by shareholders at the Annual General Meeting held on 20 November 2013.
[2] These SARS were cancelled on 30 June 2015.
[3] These SARS were cancelled on 1 January 2015. Mr Bowles ceased employment effective 19 December 2014.
[4] Mr Cicanese ceased to be employed by the Company effective 15 May 2014 and all share appreciation rights issued lapsed on this date.
[5] Note that the exercise price of these SAR's is $0.235.

Audited Remuneration Report (continued)

The above share appreciation rights are subject to the following performance hurdles:

Performance hurdle/vesting condition	Mr Parsons % vest	Mr Zaninovich[1,3] % vest	Mr Bowles[1,3,4] % vest	Mr Cicanese[1,2] % vest
Ministerial notification allowing the commencement of construction or the intended approval of a mining licence or receipt of a formal mining licence from the Government of Burkina Faso on or before 30 June 2014.	33.3	33.3	25.0	25.0
Obtaining an appropriate funding solution to enable the commencement of construction at the Banfora Gold Project on or before 31 December 2014.	33.3	33.3	50.0	25.0
The Board resolving to commence construction of the Banfora Gold Project on or before 30 September 2015.	33.4	33.4	25.0	50.0

[1] The executive must also have continued employment for a further 6 months after the actual date of achieving this performance hurdle.
[2] Mr Cicanese ceased to be employed by the Company effective 15 May 2014 and all share appreciation rights issued lapsed on this date.
[3] These SAR's have lapsed or have been cancelled.
[4] Mr Bowles resigned effective 19 December 2014.

For Mr Naylor, the above share appreciation rights are subject to the following performance hurdles:

- 10.0% will vest upon receipt of ministerial granting to Gryphon of mining exploitation licence on the Banfora Gold Project on or before 30 June 2014.
- 20.0% will vest upon retention of employment through to 31 December 2014.
- 15.0% will vest upon establishing a new mining company and negotiation of a Mining Convention Agreement with the Burkina Faso Government on or before 30 June 2015.
- 20.0% will vest upon retention of employment through to 31 December 2015.
- 35.0% will vest upon first gold pour achieved at the Banfora Gold Project on or before 30 June 2016.

All of Mr. Naylor's SAR's were cancelled on 30 June 2015.

For FY16, it is intended that all LTI grants to executives will continue to be issued under the remuneration policy and framework as noted above. This will include grants being capped as a percentage of fixed remuneration and subject to achievement of pre-determined performance and time based vesting conditions with each hurdle having a specific weighting attached.

Company Performance

The remuneration framework is tailored to increase goal congruence between shareholders and executives.

As the Company is an exploration company emerging into development and production, it has no producing mines. As such measuring performance requires a pragmatic approach. The most meaningful measure of internal performance is against goals which have a project development focus as well in relation to safety, environment, sustainability and community. The most appropriate measure for external performance is a change in the share price.

Under the remuneration framework, executives will only be issued with LTIs upon achievement of longer term internal strategic goals and shareholder return measured throughout a 3 year vesting period.

	2012 (Restated)	2013 (Restated)	2014 (Restated)	2015
Revenue	3,045,247	2,821,049	2,590,812	2,222,062
Net loss	(19,501,259)	(32,216,418)	(51,382,320)	(14,521,293)
Share Price	$0.68	$0.13	$0.16	$0.06
Dividends	Nil	Nil	Nil	Nil

Audited Remuneration Report (continued)

F. Details of Remuneration

Details of the remuneration of the Director's and other KMP of the Company for the financial year are set out in the following table.

	Short-Term Benefits							
	Base Salary	Shares	Cash Incentives	Other[4]	Super-annuation	Eligible Termination Payments	Non-Cash Long-Term Incentives	Total $
2015								
Non-Executive Directors								
Mr M Ashton	96,000	-	-	2,966	-	-	-	98,966
Mr D Murcia	60,000	-	-	2,966	-	-	-	62,966
Mr B McFadzean	60,000	-	-	2,966	-	-	-	62,966
Executive Director								
Mr S Parsons	408,000	-	-	2,966	30,000	-	92,403[5]	533,369
Key Management Personnel								
Mr S Zaninovich	348,099	11,901	-	2,966	34,200	-	97,792[6]	494,958
Mr M Naylor	239,823	-	-	2,966	20,864	-	25,857	289,510
Mr M Bowles[2]	125,304	9,531	-	1,390	18,193	165,003	(37,595)	281,826
Total Remuneration	1,337,226	21,432	-	19,186	103,257	165,003	178,457	1,824,561
2014								
Non-Executive Directors								
Mr M Ashton	98,000	-	-	7,855	-	-	-	105,855
Mr D Murcia	61,250	-	-	7,855	-	-	-	69,105
Mr B McFadzean[1]	2,000	-	-	258	-	-	-	2,258
Mr D Netherway[2]	6,634	-	-	646	-	-	-	7,280
Ms A Hall[2]	6,634	-	-	646	614	-	-	7,894
Mr M O'Neill[2]	6,250	-	-	646	-	-	-	6,896
Executive Director								
Mr S Parsons	411,539	-	-	7,855	38,067	-	222,987	680,448
Key Management Personnel								
Mr S Zaninovich	327,000	33,000	-	7,855	33,300	-	131,458	532,613
Mr M Bowles	272,500	27,500	-	7,855	27,750	-	88,566	424,171
Mr M Naylor[3]	109,545	-	-	3,637	-	-	58,146	171,328
Mr M Cicanese[2]	311,546	-	-	6,844	28,818	63,462	-	410,670
Mr A Eastwood[2]	62,218	-	-	646	5,755	75,000	(10,857)	132,762
Ms B Michetti[2]	47,078	-	-	689	4,355	50,000	(12,528)	89,594
Total Remuneration	1,722,194	60,500	-	53,287	138,659	188,462	477,772	2,640,874

1 Mr McFadean was appointed on 19 June 2014.

2 These Directors and senior executives ceased employment with the Company as follows: Mr Netherway, Ms Hall, Mr O'Neill and Mr Eastwood resigned with effect from 31 July 2013. Ms Michetti was appointed as Chief Financial Officer on 8 October and resigned with effect from 2 August 2013. Mr Cicanese was appointed on 22 April 2013 and resigned with effect 15 May 2014. Mr Bowles resigned with effect from 18 December 2014.

3 Mr Naylor was appointed as Chief Financial Officer on 13 January 2014.

4 All other short-term benefits provided in the prior and current periods were non-monetary in nature.

5 The remuneration associated with Mr Parsons Non-Cash LTI's relates to the value associated with the LTI's issued in 2012 and 2013 that were approve by shareholders. 31% of Mr Parson's LTI's lapsed during the current period but the remuneration associated with these LTI's are expensed and recorded as remuneration over the vesting period even though no financial benefit has yet been realised on these LTI's.

6 *AASB 2 Share-based payment* states that if LTI's are cancelled they are treated as if they had vested at the date of cancellation. This has resulted in this amount shown as remuneration when in fact no financial benefit was received from LTI's during the period.

Audited Remuneration Report (continued)

The base salary of the Managing Director was voluntarily reduced by a further 10% (effective 1 July 2015) and two other executives, Messrs Zaninovich and Naylor, voluntarily agreed to receive 10% of their base salary in shares, rather than cash, with effect from 1 October 2015.

In addition, the Non-Executive Directors, as part of the Company's cost reduction measures, have agreed to reduce its fees payable to by 25% effective 1 July 2015.

G. Share Based Compensation

Issue of Shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Date	# of shares	Issue Price	$
Mr S Zaninovich	8 Aug 14	56,962	$0.158	9,000[1]
Mr M Bowles	8 Aug 14	47,468	$0.158	7,500[2]
Mr S Zaninovich	7 Nov 14	37,427	$0.143	5,341
Mr M Bowles	7 Nov 14	32,062	$0.143	4,575
Mr S Zaninovich	22 Jan 15	62,463	$0.057	3,560
Mr M Bowles	22 Jan 15	43,100	$0.057	2,456

[1] $6,000 relates to 30 June 2014 remuneration, but the shares were issued in the 30 June 2015 financial year.
[2] $5,000 relates to 30 June 2014 remuneration, but the shares were issued in the 30 June 2015 financial year.

Mr Zaninovich and Mr Bowles agreed to receive 10% of their base salary as shares in lieu of cash with effect from 1 August 2013 until 31 December 2014.

Grant of Long-Term Incentives

The terms and conditions for each grant of long-term incentives affecting remuneration in the current or a future reporting period are as follows:

Instrument	Grant Date	Vesting and Exercise Date	Expiry Date	Notional Share Price	Value at Grant Date	Performance Achieved	Percentage Vested
PR	4 Dec 12	Various	3 Dec 16	N/A	$0.29 - $0.60	To be determined	25%
PR	20 Nov 12	Various	19 Nov 16	N/A	$0.29 - $0.67	To be determined	25%
PR	4 Dec 12	Various	3 Dec 16	$0.87	$0.13 - $0.25	To be determined	25%
SAR	20 Nov 12	Various	19 Nov 16	$0.87	$0.13 - $0.30	To be determined	25%
SAR	20 Nov 13	Various	31 Dec 16	$0.235	$0.03-$0.04	To be determined	25%
SAR	19 Dec 13	Various	31 Dec 16	$0.235	$0.04-$0.05	To be determined	0%
SAR	22 Jan 14	Various	31 Dec 16	$0.235	$0.04-$0.06	To be determined	0%

Long-term incentives granted under the plan carry no dividend or voting rights. When exercisable, each performance right is convertible into one ordinary share of Gryphon whereas each share appreciation right is convertible into the number of shares representing the total premium between a notional share price and the share price at the date of exercise.

Details of share appreciation rights and performance rights provided as remuneration to each director and executive of the Group are set out below. The tables further shows the percentages of the share appreciation rights or performance rights granted under the Company's Equity Incentive Plan.

Audited Remuneration Report (continued)

G. Share Based Compensation (continued)

Share Appreciation Rights – Granted in FY14

	Year ended 30 June 2014			Year ended 30 June 2015				
Name	Calendar Year in which vest occurs	Granted during year (#)	Granted during year ($)	Vested during year (#)	Vested during year (%)	Forfeited during the year ($)	Forfeited during the year (#)	Forfeited during the year (%)
Mr S Parsons	2014	3,333,333	94,000[1]	3,333,333	100	-	-	-
	2014	3,333,333	107,333	-	-	107,333	3,333,333	100
	2015	3,333,334	125,000[3]	-	-	-	-	-
Mr S Zaninovich[5]	2014	2,000,000	74,000	-	-	74,000	2,000,000	100
	2014	2,000,000	82,600	-	-	82,600	2,000,000	100
	2015	2,000,000	94,200	-	-	94,200	2,000,000	100
Mr M Bowles[4]	2014	900,000	33,300	-	-	33,300	900,000	100
	2014	1,800,000	74,340	-	-	74,340	1,800,000	100
	2015	900,000	42,390	-	-	42,390	900,000	100
Mr M Naylor[5]	2014	870,000	43,936	-	-	43,936	870,000	100
	2015	1,015,000	61,367	-	-	61,367	1,015,000	100
	2016	1,015,000	57,826	-	-	57,826	1,015,000	100
Mr M Cicanese[2]	2014	900,000	33,300	-	-	33,300	900,000	100
	2014	900,000	37,170	-	-	37,170	900,000	100
	2015	1,800,000	84,780	-	-	84,780	1,800,000	100

[1] Subsequent to 30 June 2014 the Board of Directors resolved that the performance hurdle attached these instruments had been met.
[2] Mr Cicanese ceased to be employed by the Company effective 15 May 2014 and all share appreciation rights issued lapsed on this date.
[3] Maximum amount yet to vest.
[4] Mr Bowles ceased to be employed by the Company effective 19 December 2014 and all share appreciation rights lapsed on 1 January 2015.
5 These share appreciation rights were cancelled on 30 June 2014.

Share Appreciation Rights – Granted in FY13

	Year ended 30 June 2013			Year ended 30 June 2015				
Name	Year in which vest occurs	Granted during year (#)	Granted during year ($)	Vested during year (#)	Vested during year (%)	Forfeited during the year ($)	Forfeited during the year (#)	Forfeited during the year (%)
Mr S Parsons	2014	218,532	64,984	-	-	64,984	218,532	100
	2015	437,062	57,889[2,3]	-	-	-	-	-
Mr S Zaninovich	2013	104,895	25,802	104,895	100	-	-	-
	2014	104,894	25,802	-	-	25,802	104,894	100
	2015	209,790	27,787	-	-	27,787	209,790	100
Mr M Bowles[4]	2014	87,412	21,502	-	-	21,502	87,502	100
	2015	174,824	23,156	-	-	23,156	174,824	100
Mr A Eastwood[1]	2014	87,412	21,502	-	-	21,502	87,412	100
	2015	174,824	23,156	-	-	23,156	174,824	100
Ms B Michetti[1]	2014	75,758	18,635	-	-	18,635	75,758	100
	2015	151,514	20,068	-	-	20,068	151,514	100

[1] Mr Eastwood resigned 31 July 2013 and Ms Michetti resigned 2 August 2013.
[2] Maximum amount yet to vest.
[3] These lapsed on 31 August 2015.
[4] Mr Bowles resigned on 19 December 2014.

Audited Remuneration Report (continued)

G. Share Based Compensation (continued)

Performance Rights – Granted in FY13

Name	Year in which vest occurs	Granted during year (#)	Granted during year ($)	Vested during year (#)	Vested during year (%)	Forfeited during the year ($)	Forfeited during the year (#)	Forfeited during the year (%)
Mr S Parsons	2013	86,109	57,693	86,109	100	-	-	-
	2014	86,108	57,693	-	-	57,693	86,108	100
	2015	172,218	54,507[2,3]	-	-	-	-	-
Mr S Zaninovich	2013	41,333	24,593	41,333	100	-	-	-
	2014	41,332	24,593	-	-	24,593	41,332	100
	2015	82,664	26,163	-	-	26,163	82,664	100
Mr M Bowles[1]	2013	34,444	20,494	34,444	100	-	-	-
	2014	34,442	20,494	-	-	20,494	34,442	100
	2015	68,888	21,803[2]	-	-	21,803	68,888	100
Mr A Eastwood[1]	2013	34,444	20,494	34,444	100	-	-	-
	2014	34,442	20,494	-	-	20,494	34,442	100
	2015	68,888	21,803	-	-	21,803	68,888	100
Ms B Michetti[1]	2013	29,851	17,761	29,851	100	-	-	-
	2014	29,851	17,761	-	-	17,761	29,851	100
	2015	59,702	18,896	-	-	18,896	59,702	100

[1] Mr Eastwood resigned 31 July 2013, Ms Michetti resigned 2 August 2013 and Mr Bowles resigned 18 December 2015.
[2] Maximum amount yet to vest.
[3] These lapsed on 31 August 2015.

There were no performance rights issued in FY14 or FY15.

The assessed fair value at grant date of share appreciation rights and performance rights granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values are determined at grant date using an approved valuation technique.

There were no ordinary shares in the Company issued as a result of the vesting or exercise of options, performance rights or share appreciation rights during the financial year and up to the date of this report.

No options were exercised by any director or executive during the financial year or up to the date of this report.

Audited Remuneration Report (continued)

H. Service Agreements

On appointment to the Board all Non-Executive Directors enter into a service agreement in the form of a letter of appointment. The letter sets out the Company's policies and terms including compensation relevant to the director.

Remuneration and other key terms of employment for the Managing Director and other executives are formalised in executive service agreements. The agreements provide for payment of fixed remuneration, performance related cash bonuses where applicable, other allowances and confirm eligibility to participle in the Company's STI and LTI plans.

As part of the remuneration review in 2012, the Managing Director and certain other executives agreed to variations to their executive service contracts to ensure compliance with the current legal requirements and alignment with market practice. In accordance with section 300A of the Corporations Act, details of the agreements for each KMP are summarised below:

Executive	Term of Agreement	Base Salary	Notice Period By Employee	Termination Benefit
Mr S Parsons	No fixed term	$400,000[3]	3 Months	12 Months
Mr S Zaninovich	No fixed term	$360,000	3 Months	12 Months
Mr M Naylor[1]	No fixed term	$300,000	3 Months	6 Months
Mr M Bowles[2]	No fixed term	$300,000	3 Months	3 Months

[1] Mr Naylor signed a full time employment contract with the Company on 1 August 2014 but has agreed to work 80% of his designated working hours and hence receive 80% of his salary.
[2] Mr Bowles resigned on 19 December 2014.
[3] Mr Parson has voluntarily agreed to a 10% pay reduction effective 1 July 2015.

All executive agreements for KMP provide for immediate termination for circumstances involving gross misconduct, wilful neglect and serious or persistent breach of the agreement. Termination payments are payable on early termination by the Company other than for cause such as gross misconduct, wilful neglect, serious or persistent breach of the agreement and unless otherwise indicated are equal to the base salary for the notice period.

I. Peer Groups

The Company has adopted two peer groups, one being for benchmarking TSR performance ('Performance Peer Group') and the other for benchmarking executive remuneration ('Remuneration Peer Group').

Selection of the Performance Peer Group was based on the size, nature and stage of development for each peer company. Considerations for inclusion within the Performance Peer Group were given to:

- companies who are primarily focussed on gold exploration or gold project development;
- companies with a similar geographic location of project areas and/or similar sovereign or country risk profiles;
- companies who are listed on ASX and/or the Toronto Stock Exchanges (TSX);
- companies who are currently at, or expected to be at a development stage in the future who meet the above criteria; or
- companies currently in production which are of a similar size to Gryphon's forecast production profile.

During the year the Company reviewed the Performance Peer Group to ensure that it was representative of an appropriate peer group given the size and stage of development of Gryphon. Following this review two companies were removed and replaced with companies matching the above peer group inclusion criteria.

Audited Remuneration Report (continued)

I. Peer Groups (continued)

Companies within the Performance Peer Group are currently set at:

1. Regis Resources Ltd
2. Perseus Mining Ltd
3. Golden Rim Resources Ltd
4. Castle Minerals Ltd
5. Alacer Gold Group
6. NewCastle Gold Ltd
7. West African Resources Ltd
8. Semafo Inc
9. Beadell Resources Ltd
10. Avocet Mining Plc
11. Teranga Gold Corp
12. Aureus Mining Plc
13. True Gold Mining Inc
14. Roxgold Inc
15. Azumah Resources Ltd
16. Endeavour Mining Corp
17. Asanko Gold Inc
18. Orezone Gold Corp
19. Banro Corporation
20. Goldrock Mines Corp

The Remuneration Peer Group was selected based on the market capitalisation, nature and stage of development for each peer company. Considerations for inclusion within the Remuneration Peer Group were given to:

- companies who are primarily focussed on gold exploration or gold project development;
- companies with a similar geographic location of project areas and/or similar sovereign risk profiles;
- companies who are listed on ASX only;
- companies who are currently at, or expected to be at a development stage in the future who meet the above criteria; or
- companies currently in production which are of a similar size to Gryphon's forecast production profile.

TSX companies were not included in the Remuneration Peer Group due to remuneration structures in the North American markets being materially different to ASX companies. During the year the Company reviewed the Remuneration Peer Group to ensure that it was representative of an appropriate peer group given the size and stage of development of Gryphon.

Companies within the Remuneration Peer Group are currently:

1. Regis Resources Ltd
2. Perseus Mining Ltd
3. Medusa Mining Ltd
4. Resolute Mining Ltd
5. Kingsgate Consolidated Ltd
6. Silver Lake Resources Ltd
7. Ramelius Resources Ltd
8. Golden Rim Resources Ltd
9. Beadell Resources Ltd
10. Saracen Mineral Holdings Ltd
11. Red 5 Limited
12. Intrepid Mines Ltd
13. West African Resources Ltd
14. Doray Minerals Ltd
15. Azumah Resources Ltd

J. Remuneration Consultants

During the year ended 30 June 2015 the Board did not engage the services of remuneration consultants.

Audited Remuneration Report (continued)

K. Additional disclosures relating to Directors and Key Management Personnel

Share holdings

The number of shares in the Company held during the financial year by each director of Gryphon Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below.

	Balance at the start of the year	Received in lieu of cash salary	(Disposals)/ Acquisitions	Held at date of resignation	Balance at the end of the year
Non-Executive Directors					
Mr M Ashton	1,000,000	-	-	-	1,000,000
Mr D Murcia	402,173	-	-	-	402,173
Mr B McFadzean	-	-	-	-	-
Executive Director					
Mr S Parsons	6,036,310	-	1,000,000	-	7,036,310
Key Management Personnel					
Mr S Zaninovich	246,064	156,852	-	-	402,916
Mr M Bowles[1]	180,054	122,630	-	(302,684)	-
	7,864,601	279,482	1,000,000	(302,684)	8,841,399

[1] Mr Bowles ceased employment with the Company with effect from 19 December 2014.

Those Directors and KMP not mentioned above did not hold shares during the year.

Option holdings

The number of options over ordinary shares in the Company held during the financial year by each director of Gryphon Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below.

	Balance at start of year	Granted as remuneration	Exercised	Disposed/ Lapsed	Balance at the end of the year	Vested and exercisable
Key Management Personnel						
Mr S Zaninovich	500,000	-	-	-	500,000	500,000

Those Directors and KMP not mentioned above did not hold options during the year.

Audited Remuneration Report (continued)

K. Additional disclosures relating to Directors and Key Management Personnel (Continued)

Share appreciation right holdings

The number of share appreciation rights held during the financial year by each director of Gryphon Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below.

	Balance at the start of the year	Granted as remuneration	Disposed/ Lapsed[1]	Balance at the end of the year	Vested
Executive Director					
Mr S Parsons	10,655,592	-	(3,333,333)	7,322,259	3,551,863
Key Management Personnel					
Mr S Zaninovich	6,314,685	-	(6,209,790)	104,895	104,895
Mr M Naylor	2,900,000	-	(2,900,000)	-	-
Mr M Bowles[2]	3,862,237	-	(3,862,237)	-	-
	23,732,514	-	(16,305,360)	7,427,154	3,656,758

[1] The financial value of the lapsed share appreciation rights was nil.
[2] Mr Bowles resigned on 19 December 2014.

Those Directors and KMP not mentioned above did not hold share appreciation rights during the year.

Performance right holdings

The number of Performance Rights held during the financial year by each director of Gryphon Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below.

	Balance at the start of the year	Granted as remuneration	Exercised	Disposed/ Lapsed[1]	Balance at the end of the year	Vested
Executive Director						
Mr S Parsons	172,218	-	-	-	172,218	-
Key Management Personnel						
Mr S Zaninovich	82,664	-	-	(82,664)	-	-
Mr M Bowles[2]	68,888	-	-	(68,888)	-	-
	323,770	-	-	(151,552)	172,218	-

[1] The financial value of the lapsed share appreciation rights was nil.
[2] Mr Bowles resigned on 19 December 2014.

Those Directors and KMP not mentioned above did not hold performance rights during the year.

Audited Remuneration Report (continued)

K. Additional disclosures relating to Directors and Key Management Personnel (Continued)

Other transactions with key management personnel and their related parties

	Consolidated	
	2015 $'000	2014 $'000
Recharges to KMP related entities:		
Recharge of costs to Venture Minerals Ltd	20	98
Recharge of costs to Renaissance Minerals Ltd	-	37
Recharge of costs to Allos Property Group	-	2
Recharge of costs to Alicanto Minerals Ltd	17	39
Recharge of costs to Tawana Resources NL	16	27
	53	203
Purchases from KMP relates entities:		
Purchases for rent and variable outgoings from Allos Property Group	-	81
Purchases for legal services from Murcia Pestell Hillard Lawyers	39	43
Recharge of shared costs from Venture Minerals Ltd	43	163
Purchases for contract engineering services from Zivvo Pty Ltd	108	257
	190	544
Outstanding balances arising from recharges/purchases with KMP related entities:		
Current receivables (recharged shared office expenditure)	20	36
Current payables (legal fees)	(31)	(50)

No provision for doubtful debts has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

Terms and conditions of related party transactions

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

L. Voting and comments made at the company's 2014 Annual General Meeting ("AGM")

At the 2014 AGM, 97% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2014. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

This is the end of the audited Remuneration Report.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Environmental Regulation

The consolidated entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work on all project areas throughout the world. The Directors have considered the National Greenhouse and Energy Reporting Act 2007 ('the NGER Act') and at the current stage of development and based on the locations of the Company's operations, the Directors have determined that the NGER Act will have no effect on the Group for the current or subsequent financial year. The Directors will reassess this position as and when the need arises.

Meetings of Directors

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are as follows:

Director	Board		Audit & Risk[1]		Nomination & Remuneration[1]	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
M Ashton	6	6	3	3	2	2
S Parsons	6	6	-	-	-	-
D Murcia	6	6	3	3	2	2
B McFadzean	6	6	3	3	2	2

[1] The Audit & Risk Committee and Nomination & Remuneration Committee were both suspended indefinitely with effect from the 6th of May 2015.

Equity Incentives

There were no equity incentives granted to directors and other executives during or since the end of the financial year.

At the date of this report unissued shares of the Group under option, or shares that may be issued as a result of share appreciation rights or performance rights vesting are as follows:

Instrument	Expiry Date	Exercise Price	Number
Unlisted Shares Options	4 July 2015	$1.80	500,000
Share Appreciation Rights	19 November 2016	$0.87	655,592
Share Appreciation Rights	3 December 2016	$0.87	355,478
Performance Rights	19 November 2016	N/A	172,218
Share Appreciation Rights	31 December 2016	$0.235	11,664,167

Indemnity and Insurance of Officers

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors and officers liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings of Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's Independence & Non-Assurance Services

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 61. No fees were paid or payable to the auditors for non-assurance services performed during the year ended 30 June 2015 (2014: Nil).

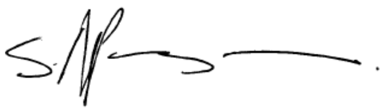
BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report of the Directors incorporating the Remuneration Report is signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Stephen Parsons
Managing Director

Perth, Western Australia, 30 September 2015

Annual Mineral Resource & Ore Reserve Statement | Banfora Gold Project

The Banfora Gold Project is a significant undeveloped gold resource in West Africa and is one of only a few new large scale greenfields discoveries in the world.

The Mineral Resources released in the ASX announcement dated 4 February 2014[3] are shallow with 90% above 150 metres vertical depth and they remain open at depth and along strike. The Ore Reserves for the heap leach operation are also shallow with an average vertical pit depth of 50 metres across the deposits, with maximum depths at the Nogbele North pit and Samavogo south of close to 100 metres.

The current Mineral Resource estimate for the Banfora Gold Project reported at the 0.3g/t, 0.5g/t & 1.0g/t lower cut offs are as stated in the following table:

Banfora Gold Project Mineral Resource Estimate at 30 June 2015 and 30 June 2014:

Lower cut off	Measured			Indicated			Total Measured + Indicated			Inferred		
g/t	Tonnes Mt	Grade g/t Au	Gold Moz	Tonnes Mt	Grade g/t Au	Gold Moz	Tonnes Mt	Grade g/t Au	Gold Moz	Tonnes Mt	Grade g/t Au	Gold Moz
0.3	9.5	1.1	0.35	76.2	1.2	2.9	85.8	1.2	3.2	19.2	1.1	0.70
0.5	6.7	1.4	0.31	60.5	1.4	2.7	67.2	1.4	3.0	15.9	1.3	0.66
1.0	3.1	2.3	0.23	28.8	2.1	1.9	31.9	2.1	2.2	7.8	1.9	0.47
1.5	2.0	2.9	0.18	16.1	2.8	1.4	18.0	2.8	1.6	3.8	2.6	0.32

Review of material changes

There are no changes to the Mineral Resource from the previous reporting statement.

Governance controls

All Minerals Resource Estimates are prepared by qualified professionals following JORC-compliant procedures that ensure representative and unbiased samples are obtained with appropriate QA/QC practices in place. All Mineral Resource Estimates quoted above have been estimated or independently verified by CSA Global Pty Ltd.

Ore Reserves Estimate for Banfora 2Mt Heap Leach Operation at 30 June 2015 and 30 June 2014:

Area	Oxidation	Cut-Off	Proved			Probable			Total		
		Au g/t	Tonnes	Grade Au g/t	Au koz	Tonnes Mt	Grade Au g/t	Au koz	Tonnes Mt	Grade Au g/t	Au koz
Nogbele	Oxide	0.3-0.4	2.4	1.1	88	4.8	1.1	166	7.2	1.1	253
	Transition	0.5-0.6	0.8	1.4	38	1.2	1.4	55	2.1	1.4	93
	Fresh	0.5-0.7	0.8	2.0	51	1.1	2.1	72	1.9	2.1	123
Fourkoura	Oxide	0.4	-	0.0	-	0.8	1.1	28	0.8	1.1	28
	Transition	0.6	-	0.0	-	0.5	1.6	25	0.5	1.6	25
	Fresh	0.9	-	0.0	-	0.5	2.0	33	0.5	2.0	33
Samavogo	Oxide	0.5	-	0.0	-	1.1	1.7	59	1.1	1.7	59
	Transition	0.6	-	0.0	-	0.5	1.9	33	0.5	1.9	33
	Fresh	0.7	-	0.0	-	1.3	2.3	92	1.3	2.3	92
Stinger	Oxide	0.4	-	0.0	-	1.4	1.5	67	1.4	1.5	67
	Transition	0.7	-	0.0	-	0.3	1.9	16	0.3	1.9	16
	Fresh	1.1	-	0.0	-	0.1	2.7	5	0.1	2.7	5
Total	Oxide		2.4	1.1	88	8.0	1.2	320	10.4	1.2	407
	Transition		0.8	1.4	38	2.5	1.6	128	3.3	1.5	166
	Fresh		0.8	2.0	51	2.9	2.2	202	3.7	2.1	252
	Grand Total		4.0	1.4	176	13.4	1.5	650	17.4	1.5	826

The cut-off grades used in the estimation of the Banfora Ore Reserves shown above are the non-mining, break-even gold grades taking into account mining recovery and dilution, metallurgical recovery, site operating costs, royalties and revenues. For reporting of Ore Reserves the calculated cut-off grades were rounded to the first decimal gram per tonne of gold. The cut-off grades vary depending on the material type and the pit location.

The grades and metal stated in the Ore Reserves Estimate released in the ASX announcement dated 4 August 2014 include estimates for mining recovery and dilution. The Ore Reserve Estimate is reported within the open pit designs

Annual Mineral Resource & Ore Reserve Statement (continued)

prepared as part of the Feasibility Study. Contained within the pit designs on which the Ore Reserves are based, is a total of 59.4 Mt of waste material, resulting in an average waste:ore strip ratio of 3.4:1.

Outside the currently defined and evaluated deposits, the Project area remains highly prospective for further discoveries.

Review of material changes

There are no material changes to the project Ore Reserves from the last reporting period.

Governance controls

The heap leach Ore Reserves for the Banfora Gold Project have been derived by Cube Consulting Pty Ltd to a standard reportable in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2012). The Ore Reserve estimate is based on the Mineral Resources classified as "Measured" and "Indicated" after consideration of all mining, metallurgical, social, environmental and financial aspects of the operation. The Proved Ore Reserve has been derived from the Measured Mineral Resource, and the Probable Ore Reserve has been derived from the Indicated Mineral Resource.

Footnotes

[1] For more information on the 3.6Moz Resource estimate, refer to ASX announcement dated 4 February 2014. Gryphon Minerals is not aware of any new information or data that materially effects the information included in the said announcement.

[2] Refer to ASX Announcement dated 6 July 2015. The results are at Scoping Study level. The Scoping Study referred to in this report is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

In discussing 'reasonable prospects for eventual economic extraction' in Clause 20, the Code requires an assessment (albeit preliminary) in respect of all matters likely to influence the prospect of economic extraction including the approximate mining parameters by the Competent Person. While a Scoping Study may provide the basis for that assessment, the Code does not require a Scoping Study to have been completed to report a Mineral Resource.

Scoping Studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar deposits or operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. Reporting the general results of a Scoping Study needs to be undertaken with care to ensure there is no implication that Ore Reserves have been established or that economic development is assured. In this regard it may be appropriate to indicate the Mineral Resource inputs to the Scoping Study and the processes applied, but it is not appropriate to report the diluted tonnes and grade as if they were Ore Reserves.

While initial mining and processing cases may have been developed during a Scoping Study, it must not be used to allow an Ore Reserve to be developed.

There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The stated production target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

Gryphon Minerals is not aware of any new information or data that materially effects the information included in the said announcement.

[3] For full details of exploration results refer to ASX announcement. Gryphon Minerals is not aware of any new information or data that materially affects the information included in the said announcement.

[4] Availability of the Project Loan Facilities is subject to due diligence, credit approval, entering into documentation and satisfaction of conditions precedent. Refer to announcement on 4 June 2014.

[5] Refer to ASX announcement dated 6 July 2015. Gryphon Minerals confirms that all material assumptions underpinning the production target, or forecast financial information derived from such production targets in this announcement continue to apply and have not materially changed.

[6] Refer to the Feasibility Study ASX announcement dated 4 August 2014. Gryphon Minerals confirms that all material assumptions underpinning the production target, or forecast financial information derived from such production targets in this announcement continue to apply and have not materially changed.

Competent Persons Statement

The information in this report that relates to the Exploration Results at the Company's Banfora Gold Project, Golden Hill Project and Gourma Project in Burkina Faso and the Akjoujt project, Mauritania, is based on and fairly represents information which has been compiled by Mr Sam Brooks who is a member of the Australian Institute of Geoscientists. Mr Brooks has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brooks is a full time employee of Gryphon Minerals and has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears. This information was prepared and first disclosed under JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to the Mineral Resources at the Nogbele and Fourkoura Deposits, Burkina Faso is based on information compiled by Mr Sam Brooks who is a member of the Australian Institute of Geoscientists. Mr Brooks has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brooks is a full time employee of Gryphon Minerals and has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears.

The information in this report that relates to the Mineral Resources at the Stinger and Samavogo Deposits, Burkina Faso is based on information compiled by Mr Dmitry Pertel who is a member of the Australian Institute of Geoscientists. Mr Pertel has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pertel is a full time employee of CSA Global Pty Ltd and has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears. This information was prepared and first disclosed under JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to the Ore Reserves, is based on information compiled by Mr Quinton de Klerk who is a member of the Australasian Institute of Mining and Metallurgy. Mr de Klerk has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr de Klerk is a full time employee of Cube Consulting Pty Ltd and has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears.

Forward-Looking Statements

This announcement may contain "forward-looking statements". Forward-looking statements are based on assumptions regarding Gryphon's expected activities, events and/or strategic plans. Statements which are not based on historic or current facts may be forward-looking statements.

Forward-looking statements are based on current views, expectations and beliefs as at the dates they are expressed and which are subject to various risks and uncertainties. Actual results or performance could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained in this presentation are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, some of which are beyond the control of Gryphon, which may cause the actual future activities, events or strategic plans to deliver results materially different from those expressed or implied by the forward-looking statements.

Gryphon disclaims any responsibility for the accuracy or completeness of any forward-looking statement. Gryphon disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Gryphon's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. Investors must not place undue reliance on these forward-looking statements.

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF GRYPHON MINERALS LIMITED

As lead auditor of Gryphon Minerals Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Gryphon Minerals Limited and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2015

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Financial Report
For the year ended 30 June 2015

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The financial report covers the consolidated entity consisting of Gryphon Minerals Ltd and its subsidiaries. The financial report is presented in Australian dollars.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Gryphon Minerals Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

288 Churchill Avenue
Subiaco WA 6008

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 30 September 2015. The directors have the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available on our website: www.gryphonminerals.com.au.

Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the year ended 30 June 2015

	Notes	Consolidated	
		30 June 2015 $'000	30 June 2014 (Restated) $'000
Revenue			
Revenue from continuing operations	6	824	1,605
Other income	7	1,398	985
		2,222	2,590
Expenses			
Administration expense		(1,018)	(1,089)
Consultancy expense		(389)	(651)
Employee benefits expense	8	(1,962)	(1,348)
Share based payment expense		(285)	(834)
Occupancy expense	8	(243)	(204)
Compliance and regulatory expense		(197)	(114)
Insurance expense		(178)	(233)
Depreciation expense	8	(753)	(636)
Exploration and evaluation expense		(12,727)	(48,050)
Fixed assets written off		(437)	(1,257)
Foreign exchange gain		1,446	444
		(16,743)	(53,972)
Loss before income tax		(14,521)	(51,382)
Income tax benefit/(expense)		-	-
Loss after income tax for the year		(14,521)	(51,382)
Other comprehensive income			
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		135	195
Items that will not be reclassified to profit or loss			
Changes in the fair value of financial assets		(2,566)	2,298
Other comprehensive income/(loss) for the year		(2,431)	2,493
Total comprehensive loss for the year		(16,952)	(48,889)
Loss for the year is attributable to:			
Non-controlling interest		(24)	(162)
Members of Gryphon Minerals Ltd		(14,497)	(51,220)
		(14,521)	(51,382)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(24)	(162)
Members of Gryphon Minerals Ltd		(16,928)	(48,727)
		(16,952)	(48,889)
Basic loss per share (cents)	28	(3.6)	(12.8)

The above consolidated statement of profit or loss & other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

For the year ended 30 June 2015

	Notes	30 June 2015 $'000	30 June 2014 (Restated) $'000	1 July 2013 (Restated) $'000
		Consolidated		
ASSETS				
Current Assets				
Cash and cash equivalents	10	18,453	34,306	52,369
Trade and other receivables	11	928	1,943	3,404
Inventory		23	34	33
Total Current Assets		19,404	36,283	55,806
Non-Current Assets				
Trade and other receivables	11	267	331	162
Financial assets	12	540	3,106	2,120
Property, plant and equipment	13	2,878	3,434	4,123
Exploration and evaluation expenditure	14	5,139	3,318	32,978
Total Non-Current Assets		8,824	10,189	39,383
Total Assets		28,228	46,472	95,189
LIABILITIES				
Current Liabilities				
Trade and other payables	15	2,917	4,469	5,146
Total Current Liabilities		2,917	4,469	5,146
Non-Current Liabilities				
Provisions	16	420	478	512
Total Non-Current Liabilities		420	478	512
Total Liabilities		3,337	4,947	5,658
Net Assets		24,891	41,525	89,531
EQUITY				
Contributed equity	17	229,014	228,981	228,932
Reserves	19	7,531	9,677	3,342
Accumulated losses		(210,859)	(196,362)	(142,134)
Equity attributable to the members of Gryphon Minerals Ltd		25,686	42,296	90,140
Non-Controlling interest		(795)	(771)	(609)
Total Equity		24,891	41,525	89,531

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

	Consolidated							
	Contributed Equity	Equity Incentive Reserve	Financial Asset Revaluation Reserve	Foreign Exchange Reserve	Accumulated Losses	Total	Non-Controlling Interest	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2013	228,932	11,404	(8,092)	1,810	(24,867)	209,187	(380)	208,807
Change in accounting policy (refer note 2)	-	-	-	(1,780)	(117,267)	(119,047)	(229)	(119,276)
	228,932	11,404	(8,092)	30	(142,134)	90,140	(609)	89,531
Loss for the year	-	-	-	-	(51,220)	(51,220)	(162)	(51,382)
Fair value adjustment of financial assets	-	-	2,298	-	-	2,298	-	2,298
Exchange differences on foreign operations	-	-	-	195	-	195	-	195
Total comprehensive income for the year	-	-	2,298	195	(51,220)	(48,727)	(162)	(48,889)
Transactions with owners in their capacity as owners:								
Share based payment transactions	49	834	-	-	-	883	-	883
Sale of financial assets	-	-	3,008	-	(3,008)	-	-	-
	49	834	3,008	-	(3,008)	883	-	883
Balance at 30 June 2014 (Restated)	228,981	12,238	(2,786)	225	(196,362)	42,296	(771)	41,525
Balance at 1 July 2014 (Restated)	228,981	12,238	(2,786)	225	(196,362)	42,296	(771)	41,525
Loss for the year	-	-	-	-	(14,497)	(14,497)	(24)	(14,521)
Fair value adjustment of financial assets	-	-	(2,566)	-	-	(2,566)	-	(2,566)
Exchange differences on foreign operations	-	-	-	135	-	135	-	135
Total comprehensive income for the year	-	-	(2,566)	135	(14,497)	(16,928)	(24)	(16,952)
Transactions with owners in their capacity as owners:								
Share based payment transactions	33	285	-	-	-	318	-	318
	33	285	-	-	-	318	-	318
Balance at 30 June 2015	229,014	12,523	(5,352)	360	(210,859)	25,686	(795)	24,891

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Notes	Consolidated 30 June 2015 $'000	Consolidated 30 June 2014 (Restated) $'000
Cash flows from operating activities			
Payments for exploration and evaluation		(13,504)	(17,529)
Refunded exploration and evaluation expense		541	-
Payments to administration suppliers and employees		(3,658)	(4,084)
Deposits paid		-	(136)
Interest received		857	1,718
Proceeds from R&D grant		1,005	1,804
Net cash used in operating activities	27	(14,759)	(18,227)
Cash flows from investing activities			
Payments for exploration farm-ins		(1,326)	(384)
Purchase of property, plant and equipment		(263)	(764)
Refund of deposit paid on equipment		500	-
Proceeds from disposal of financial assets		-	1,562
Payments for the acquisition of financial assets		-	(250)
Payments for tenement acquisitions		(12)	-
Refund of tenement fees		7	-
Net cash used in investing activities		(1,094)	164
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Net decrease in cash and cash equivalents		(15,853)	(18,063)
Cash and cash equivalents at the beginning of the year		34,306	52,369
Cash and cash equivalents at the end of the year	10	18,453	34,306

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial statements cover Gryphon Minerals as a consolidated entity consisting of Gryphon Minerals Limited and the entities it controlled from time to time during the year ('Gryphon', 'Company', 'Group' or 'Consolidated Entity').

New and amended standards adopted by the group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2014:

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting.
- AASB 2014-1 Amendments to Australian Accounting Standards

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. The consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

1. Significant Accounting Policies (continued)

Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Gryphon as at 30 June 2015 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributable to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative foreign currency translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The CODM has been identified as the Board of Directors.

1. Significant Accounting Policies (continued)

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian Dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised for the major business activities as follows:

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of the financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and, where applicable, adjustments recognised for prior periods.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

1. Significant Accounting Policies (continued)

Income tax (continued)

Gryphon Minerals Ltd (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within the group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities win the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

The Group is entitled to claim special tax deductions and rebates on qualifying expenditure under the Research and Development Tax Incentive Scheme in Australia. The Group accounts for the rebate as an Income Tax Benefit/Income.

Discontinued Operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of ay pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquiree.

1. Significant Accounting Policies (continued)

Business combinations (Continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of 12 months from the date of the acquisition or when the acquirer receives all the information possible to determine fair value.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in a normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities in the consolidated statement of financial position.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

1. Significant Accounting Policies (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value

Financial assets at fair value are non-derivative financial assets.

Financial assets at fair value are measured initially at fair value which includes transaction costs directly attributable to the acquisition of the financial asset. They are measured subsequently at fair value with movements in fair value being recognised in the profit or loss, unless:

- The financial asset is an equity investment, and
- The Group has made an irrevocable election to present gains and losses on the financial asset in other comprehensive income. This election has been made on an individual equity basis.

Profit or loss arising on the sale of equity investments is recognised in the profit or loss unless the election has been made to recognise fair value movements in other comprehensive income.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Further increases in estimates of cash flows adjust effective interest rates prospectively. Effective interest rates for financial assets reclassified to the loans and receivables category are determined at the reclassification date.

Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

On disposal the cumulative gains or losses recognised on investments held at fair value through equity over the period the Company held the financial asset are transferred directly to retained earnings/accumulated losses and are not permitted to be recognised in profit or loss.

At initial recognition the Group may make an irrevocable election (on an instance by instance basis) to recognise the changes in fair value of investments in equity instruments in other comprehensive income. This election is only permitted for equity instruments that are not held for trading purposes.

1. Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets held at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.
Financial assets held for trading are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets held for trading' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets held for trading is recognised in profit or loss as part of revenue from continuing operations when the Group's right to receive payments is established.

Financial assets held at fair value through equity are subsequently carried at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 3.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset classified as held for trading is impaired. A financial asset classified as held for trading is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Under AASB 9 financials assets held at fair value through equity are no longer required to be assessed for impairment.

Inventories

Inventories held by the Group are in the form of materials or supplies to be consumed in the ordinary course of business. Inventories are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable. Items of inventory are written down if those inventories are damaged or if they become partially or wholly obsolete.

Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.
Depreciation on assets is calculated using the reducing balance method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Plant and equipment - office 40.0%
- Plant and equipment - field 22.5%
- Motor vehicles 22.5%
- Office furniture and equipment 20.0%
- Leasehold improvements 12.5%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss. When re-valued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2015

1. Significant Accounting Policies (continued)

Exploration and evaluation assets

Exploration and evaluation expenditure is expensed as incurred other than those incurred for the acquisition of mineral property licenses or rights to explore which are capitalised and carried forward as an asset in the statement of financial position. Where a project or an area of interest has been abandoned, the capitalised expenditure incurred thereon is written off in the year in which the decision is made.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and the amount can been reliably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting in the passage of time is recognised as a finance cost.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

The liability for long service leave and annual leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share based payments

Under the Company's Equity Incentive Plan the Company provides benefits to employees of the Company in the form of share appreciation rights, performance rights and unlisted share options, whereby employees render services in exchange for rights over shares ('long-term incentives').

The cost of these long-term incentives is measured by reference to the fair value at the date at which they are granted. The fair value is determined using suitable valuation techniques that takes into account the exercise price, the term of the long-term incentive, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the long-term incentive.

If market conditions are taken into consideration when determining fair value, any awards subject to market conditions are considered to vest regardless of whether or not that market condition has been met, provided all other conditions are satisfied.

If a long-term incentive is modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2015

1. Significant Accounting Policies (continued)

Employee benefits (continued)

If the non-vesting condition is within the control of the group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If a long-term incentive is cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement long-term incentive is substituted for the cancelled long-term incentive, the cancelled and new long-term incentives are treated as if they were a modification.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

No dividends have been paid or recommended during the current or prior financial year or subsequent to reporting date.

Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

1. Significant Accounting Policies (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. Amounts in these financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
AASB 15 *Revenue from Contracts with Customers*	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.	At this stage, the group does not expect the new rules to have an impact on the group's financial statements. The group will make more detailed assessments of the impact ahead of mandatory adoption of the new standard.	Mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the group: 1 July 2018.

1. Significant Accounting Policies (continued)

New standards and interpretations not yet adopted (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
	The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.		

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Parent entity financial information

Financial information for the parent entity, Gryphon Minerals Ltd, disclosed in note 29 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the Group. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation

Gryphon Minerals Ltd and its wholly owned Australian controlled entities have implemented the tax consolidation legislation from 1 July 2011.

The head entity, Gryphon Minerals Ltd, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Gryphon Minerals Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

1. Significant Accounting Policies (continued)

Tax consolidation legislation (continued)

The entities have also entered into a tax funding agreement from 1 July 2011 under which the wholly owned entities fully compensate Gryphon Minerals Ltd for any current tax payable assumed and are compensated by Gryphon Minerals Ltd for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Gryphon Minerals Ltd under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

Share based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

2. Voluntary Change in Accounting Policies

(a) Exploration and evaluation accounting policy

This financial report has been prepared on the basis of retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure.

The new accounting policy adopted by the Group on 1 July 2014 is to expense exploration and evaluation expenditure as incurred other than those incurred for the acquisition of mineral property licenses or rights to explore which continue to be capitalised. The previous accounting policy was to capitalise and carry forward exploration, evaluation and development expenditure in relation to separate areas of interest for which rights of tenure are current as an asset in the Consolidated Statement of Financial Position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not yet reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

The directors have determined that the change in accounting policy will result in more relevant and no less reliable information as the policy is more transparent and less subjective. Recognition criteria of exploration and evaluation assets are inherently uncertain and expensing as incurred results in a more transparent Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income. Furthermore, the change in policy aids in accountability of line management's expenditures and the newly adopted policy is consistent with industry practice worldwide.

Refundable R&D Incentives

The Group previously accounted for refundable R&D tax incentives as an income tax benefit. The entity has determined that these incentives are more akin to government grants because they are not conditional upon earning taxable income. The Group has therefore made a voluntary change in accounting policy during the reporting period. Refundable tax incentives are now accounted for as government grants under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance because the directors consider this policy to provide more relevant information to meet the economic decision-making needs of users, and to make the financial statements more reliable.

2. Voluntary Change in Accounting Policy (continued)

(b) Impact on financial statements

As a result of the change in the accounting policy for exploration and evaluation expenditure and refundable R&D incentives, prior year financial statements had to be restated. The following financial statement extracts show the impact of the change in the group's accounting policy for exploration and evaluation expenditure on the prior full year financial statements.

Impact on prior years

(i) Consolidated Statement of Financial Position – 1 July 2013 (Extract)

		Consolidated	
	1 July 2013 $'000	Increase/ (Decrease) $'000	1 July 2013 (Restated) $'000
Non-Current Assets			
Exploration and evaluation expenditure	152,254	(119,276)	32,978
Total Non-Current Assets	158,659	(119,276)	39,383
Net Assets	208,807	(119,276)	89,531
Equity			
Exchange differences on translation of foreign operations	1,811	(1,780)	31
Accumulated Losses	(25,248)	(117,496)	(142,744)
Total Equity	208,807	(119,276)	89,531

(ii) Consolidated Statement of Profit or Loss & Other Comprehensive Income - 30 June 2014 (Extract)

		Consolidated	
	30 June 2014 $'000	Increase/ (Decrease) $'000	30 June 2014 (Restated) $'000
Revenue			
R&D grant	-	975	975
Total Revenue	1,615	975	2,590
Expenses			
Depreciation expense	(125)	(511)	(636)
Exploration and evaluation expense	(44,986)	(3,065)	(48,050)
Loss before income tax	(48,782)	(2,600)	(51,382)
Income tax benefit	975	(975)	-
Loss after income tax for the year	(47,807)	(3,575)	(51,382)
Total comprehensive loss for the year	(45,313)	(3,575)	(48,889)
Loss per share for losses attributable to the owners of Gryphon Minerals Ltd (cents)	(11.9)	(0.9)	(12.8)

2. Voluntary Change in Accounting Policy (continued)

(b) Impact on financial statements (continued)

(iii) Consolidated Statement of Financial Position – 30 June 2014 (Extract)

	Consolidated		
	30 June 2014 $'000	Increase/ (Decrease) $'000	30 June 2014 (Restated) $'000
Current Assets			
Trade and other receivables	1,959	(16)	1,943
Total Current Assets	36,299	(16)	36,283
Non-Current Assets			
Exploration and evaluation expenditure	126,153	(122,836)	3,318
Total Non-Current Assets	133,025	(122,836)	10,189
Net Assets	164,377	(122,852)	41,525
Equity			
Foreign exchange reserve	2,006	(1,780)	226
Accumulated losses	(76,062)	(121,072)	(197,134)
Total Equity	164,377	(122,852)	41,525

(iv) Consolidated Statement of Cash Flows – 30 June 2014 (Extract)

	Consolidated		
	30 June 2014 $'000	Increase/ (Decrease) $'000	30 June 2014 (Restated) $'000
Cash flows from operating activities			
Payments for exploration and evaluation	-	(17,529)	(17,529)
Proceeds from R&D grant	-	1,804	1,804
Net cash used in operating activities	(2,527)	(15,700)	(18,227)
Cash flows from investing activities			
Payments for exploration and evaluation	(18,516)	20,234	1,718
Proceeds from R&D grant	1,804	(1,804)	-
Payments for JV farm-ins	-	(386)	(386)
Net cash used in investing activities	(15,536)	15,700	164

3. Financial Instruments, Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and short-term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also holds other financial instruments such as trade debtors and trade creditors which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate, foreign currency, price, credit and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

Market risk

Foreign currency risk
The Group is exposed to fluctuations in foreign currencies arising from expenditure in currencies other than the Group's measurement currency.

The group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the United States Dollar, Euro, British Pound and West African CFA Franc. The Group has not formalised a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements, and retains the right to withdraw from the foreign exploration commitments after the minimum expenditure targets have been met.

The Group's material exposures to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	USD	EUR	GBP	XOF
30 June 2015	A$'000	A$'000	A$'000	A$'000
Cash & cash equivalents	4	1	508	14
Trade & other receivables	-	-	-	-
Trade & other payables	134	4	-	40
	138	5	508	54

	USD	EUR	GBP	XOF
30 June 2014	A$'000	A$'000	A$'000	A$'000
Cash & cash equivalents	3	1	1	119
Trade & other receivables	-	-	482	128
Trade & other payables	(129)	-	-	(999)
	(126)	1	483	(752)

Sensitivity
The Group's main foreign exchange risk arises from cash and cash equivalents held in foreign currency denominated bank accounts, and trade and other payable amounts denominated in currencies other than the Group's functional currency. Based on the financial instruments held at 30 June 2015, had the Australian dollar strengthened/weakened by 10% against all of the above listed currencies with all other variables held constant, the Group's post-tax profit for the period would have been $79,550 higher/$72,318 lower (2014: $186,201 higher/$169,274 lower).

Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified in the statement of financial position either as held for trading or at fair value through equity. The Group is not exposed to commodity price risk. All of the Group's equity investments are publicly traded on the Australian Securities Exchange ('ASX').

3. Financial Instruments, Risk Management Objectives and Policies (continued)

Sensitivity

The table below summarises the impact of an increase/decrease in the ASX on the Group's post-tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes had increased by 25%/decreased by 25% (2014: 25% increase/25% decrease) with all other variables held constant and that all of the Group's equity instruments moved according to the historical correlation with the index.

	Impact on other components of equity	
	2015 $'000	2014 $'000
Financial assets (Fair-valued through equity) increase	135	777
Financial assets (Fair-valued through equity) decrease	(168)	(621)

Interest rate risk

The Group's main interest rate risk arises from cash held on deposit by Australian financial institutions. Cash held in term deposits is subject to prevailing variable interest rates and expose the Group to cash flow interest rate risk. As at the end of the reporting period, the Group had $16,500,000 (2014: $29,131,531) on deposit in interest bearing accounts earning a weighted average interest rate of 3.00% (2014: 3.63%).

Sensitivity

At 30 June 2015, if interest rates had increased/decreased by 25 basis points from the year end rates, with all other variables held constant, post-tax profit for the period would have been $41,250 higher/lower (2014: $72,829 higher/lower), mainly as a result of higher/lower interest income earned from cash and cash equivalents.

Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of primarily dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. All cash equivalents are held with financial institutions with a credit rating of A1+ or above with the exception of $18,166 (2014: $140,943) held with financial institutions with a credit rating of A1, and $8,773 (2014: $10,206) which is not rated.

All trade and other receivables amounts are not rated. Note all credit ratings have been resourced from Moody's Investor Service.

Sensitivity

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics at the end of the reporting period. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and financial assets are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration and development, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the Consolidated Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of reporting date.

3. Financial Instruments, Risk Management Objectives and Policies (continued)

Fair value measurement

Fair value hierarchy

The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

The following table presents the Group's assets and liabilities measured and recognised at fair value:

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
2015				
Financial assets held at fair value through equity	567	-	-	567
2014				
Financial assets held at fair value through equity	3,106	-	-	3,106

The fair value of financial instruments traded in active markets (such as publicly traded equities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the closing bid price on reporting date. These instruments are classified as level 1 financial assets. The Group has no other financial instruments for which fair value is derived without reference to unadjusted quoted prices in an active market for identical assets. There have been no changes or transfers of financial assets or liabilities between levels 1, 2 or 3 by the Group during the current financial year.

4. Critical Accounting Estimates and Judgements

The preparation of the financial statements requires that the Group make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The Group continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The Group bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, believed to be reasonable under current circumstances.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Exploration and evaluation expenditure

Acquisition related exploration and evaluation expenditure is capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. Refer to note 14 for further details.

4. Critical Accounting Estimates and Judgements (continued)

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes option pricing model or another appropriate valuation methodology, using the assumptions detailed in note 18, and taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Environmental issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the Directors understanding thereof. At the current stage of the Group's development and its current environmental impact the Directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of Directors pending an assessment by the Australian Taxation Office. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation and the Directors understanding thereof. No adjustment has been made for pending or future taxation legislation.

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Refer to note 9 for further details.

Fair value determination

The Group carries its financial assets (financial assets held at fair value through profit and loss and financial assets held at fair value through equity) at fair value. As the Group's financial assets are equity securities traded on the Australian Securities Exchange (ASX), fair value is determined with reference to the closing bid price of each respective equity security on the reporting date. Refer to note 12 for further details.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Refer to note 13 for further details.

5. Operating Segments

Description of segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the Board of Directors.

Based upon the current operations of the Group, the Board has identified four operating segments; being exploration for mineral resources within Burkina Faso, Mauritania, Regional and the Corporate function.

The amounts provided to the Board of Directors with respect to total assets and profit or loss are measured in a manner consistent with that of the financial statements. Assets are allocated to a segment based on the operations of the segment and the physical location of the asset.

5. Operating Segments (continued)

Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments is as follows:

	Exploration				
	Burkina Faso $'000	Mauritania $'000	Regional $'000	Corporate $'000	Total $'000
Year ended 2015					
Interest revenue	-	-	-	824	824
R&D grant	1,005	-	-	-	1,005
Total segment revenue	1,390	-	-	832	2,222
Total segment loss before income tax	(8,840)	(1,487)	(505)	(3,689)	(14,521)
Year ended 2014 (Restated)					
Interest revenue	-	-	-	1,605	1,605
R&D grant	975	-	-	-	975
Total segment revenue	975	-	-	1,616	2,590
Total segment loss before income tax	(16,643)	(31,657)	(60)	(3,022)	(51,382)
Total segment assets					
30 June 2015	8,065	602	30	19,531	28,228
30 June 2014 (Restated)	6,891	681	60	38,840	46,472
Total segment liabilities					
30 June 2015	(2,109)	(50)	(24)	(1,154)	(3,337)
30 June 2014 (Restated)	(2,643)	(78)	(4)	(2,222)	(4,947)

Measurement of segment information

All information presented above is measured in a matter consistent with that in the financial statements.

Segment revenue

No inter-segment sales occurred during the current or previous financial year. The entity is domiciled in Australia. No revenue was derived from external customers in countries other than the country of domicile. Revenues of $824,064 (2014: $1,605,374) were derived from four Australian financial institutions during the year. These revenues are attributable to the corporate segment.

Reconciliation of segment information

Total segment revenue, total segment profit/(loss) before income tax, total segment assets and total segment liabilities as presented above, equal total entity revenue, total entity profit/(loss) before income tax, total entity assets and total entity liabilities respectively, as reported within the financial statements.

6. Revenue

	Consolidated	
	2015	2014 (Restated)
	$'000	$'000
Revenue from continuing operations		
Interest revenue	824	1,605
Total revenue from continuing operations	824	1,605

7. Other Income

	Consolidated	
	2015	2014 (Restated)
	$'000	$'000
Other income		
Refund on equipment purchase	385	-
Tenement fee refund	8	10
R&D grant	1,005	975
Total other income	1,398	985

8. Expenses

	Consolidated	
	2015	2014 (Restated)
	$'000	$'000
Loss before income tax includes the following specific expenses:		
Depreciation of non-current assets		
Plant and equipment – office	73	81
Plant and equipment – field	577	409
Motor vehicles	55	101
Furniture and equipment - office	27	20
Leasehold improvements	21	25
Total depreciation expense	753	636
Employee benefits expense		
Salary and wages expense	1,817	1,240
Defined contribution superannuation expense	145	108
Total employee benefits expense	1,962	1,348
Occupancy expense		
Office lease expense	139	145
Other occupancy expenses	104	59
Total occupancy expense	243	204

9. Income Tax Expense

	Consolidated	
	2015	2014 (Restated)
	$'000	$'000
Income tax gain/(expense)		
Current tax	-	-
Deferred tax	-	-
Total income tax gain/(expense)	-	-
Deferred income tax expense included in income tax expense comprises:		
Increase/(Decrease) in deferred tax assets	5,492	(48)
(Increase)/Decrease in deferred tax liabilities	(5,492)	48
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(14,521)	(51,382)
Tax at tax rate of 30% (2014: 30%)	(4,356)	(15,415)
Tax effects of amounts not deductible (taxable) in calculating taxable income:		
Share based payments	85	250
Tax deductions for capital raising costs in equity	-	-
Impairments of exploration, evaluation & development assets	-	13,496
Other non-deductible amounts	788	(3,959)
Adjustment in respect of global tax rate differences	667	857
Deferred tax assets not brought to account	2,817	4,771
Previously unrecognised tax losses now recouped to reduce current tax payable	-	-
Income tax gain/(expense)	-	-
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	38,423	19,157
Potential tax benefit at 30%	11,527	5,747
Deferred tax assets		
Tax losses - Australian	6,165	4,498
Tax losses – non-Australian	5,377	1,272
Provision for loans - capital	40,961	33,035
Provisions – employee entitlements	166	200
Accruals	(14)	12
Depreciable plant & equipment	16	53
Investments and financial assets	-	835
	52,671	39,905
Deferred tax assets not recognised	(46,842)	(39,569)
Deferred tax assets recognised at 30 June	5,829	337
Offset against deferred tax liability	(5,829)	(337)
Net deferred tax assets	-	-
Deferred tax liabilities		
Depreciable Plant & Equipment	(15)	(23)
Other timing differences	(5,802)	(313)
Unrealised forex gains	(12)	(1)
	(5,829)	(337)
Offset by deferred tax assets	5,829	337
Net deferred tax liabilities	-	-

The deferred tax asset attributable to tax losses does not exceed taxable amounts arising from the reversal of existing assessable non-permanent differences.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2015

10. Cash & Cash Equivalents

	Consolidated	
	2015	2014 (Restated)
	$'000	$'000
Cash & cash equivalents		
Cash at bank & in hand	1,953	5,175
Deposits at call	16,500	29,131
Total cash & cash equivalents	18,453	34,306

Cash at bank

Cash in hand is non-interest bearing. Cash at bank bears floating interest rates between 0.00% and 2.00% (2014: between 0.00% and 2.50%)

Deposits at call

Deposits at call bear interest rates between 2.90% and 3.17% (2014: between 3.15% and 3.85%)

11. Trade & Other Receivables

	Consolidated	
	2015	2014 (Restated)
	$'000	$'000
Current		
Receivables	661	1,395
Prepayments	267	548
Total current trade and other receivables	928	1,943
Non-current		
Deposits	253	227
Receivables	14	104
Total non-current trade and other receivables	267	331

Further information relating to credit risk and interest rate risk can be found at Note 3. Carrying values shown above also constitutes fair value of all receivable amounts. No amount (2014: $31,702) included within current receivables is greater than 91 days past due. No receivables were impaired at the end of the current financial year.

12. Financial Assets

	Consolidated	
	2015	2014 (Restated)
	$'000	$'000
Non-current financial assets held at fair value through equity		
Opening balance	3,106	2,120
Acquisitions	-	250
Revaluation of financial assets	(2,566)	5,307
Disposals	-	(4,571)
Total non-current financial assets held at fair value through equity	540	3,106

Changes in fair values of financials assets at fair value through equity are recorded in other comprehensive income. Information about the Group's exposure to price risk associated with the above financial assets is provided in note 3.

13. Property, Plant & Equipment

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant & equipment-office $'000	Plant & equipment-field $'000	Motor vehicles $'000	Office furniture & equipment $'000	Leasehold improve-ments $'000	Assets Under Construction $'000	Total $'000
Year ended 30 June 2014							
Opening net book amount	175	1,993	353	153	139	1,310	4,123
Additions	38	1,171	47	60	112	86	1,514
Disposals/write-offs	(11)	(359)	-	(70)	-	(1,157)	(1,597)
Depreciation charge	(81)	(409)	(101)	(20)	(25)	-	(636)
Effects of exchange rates	6	14	7	3	-	-	30
Closing net book amount	127	2,410	306	126	226	239	3,434
At 30 June 2014							
Cost	495	3,504	913	283	391	239	5,825
Accumulated depreciation	(368)	(1,094)	(607)	(157)	(165)	-	(2,391)
Net book amount	127	2,410	306	126	226	239	3,434
Year ended 30 June 2015							
Opening net book amount	127	2,410	306	126	226	239	3,434
Additions	48	425	65	7	6	121	672
Transfers	-	75	-	-	-	(75)	-
Disposals/write-offs	(15)	(203)	-	(15)	(114)	(164)	(511)
Depreciation charge	(73)	(577)	(55)	(27)	(21)	-	(753)
Effects of exchange rates	15	9	9	3	-	-	36
Closing net book amount	102	2,139	325	94	97	121	2,878
At 30 June 2015							
Cost	532	3,820	999	219	283	121	5,974
Accumulated depreciation	(430)	(1,681)	(674)	(125)	(186)	-	(3,096)
Net book amount	102	2,139	325	94	97	121	2,878

14. Exploration & Evaluation Expenditure

	Consolidated 2015 $'000	Consolidated 2014 (Restated) $'000
Non-current		
Opening balance	3,318	32,978
Capitalised acquisition expenditure at cost	1,821	184
Exploration & evaluation expenditure written off	-	(29,844)
Total non-current exploration & evaluation expenditure	5,139	3,318

The ongoing carrying value of the Group's interest in exploration and evaluation expenditure is dependent upon the continuance of the Group's rights to tenure of the areas of interest and the results of future exploration and the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to indigenous people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

Refer to note 2 for information in relation to the voluntary change in the Group's exploration & evaluation expenditure accounting policy.

15. Trade & Other Payables

	Consolidated 2015 $'000	Consolidated 2014 (Restated) $'000
Current		
Trade payables	532	1,158
Accrued employee benefits	255	598
Other payables	2,130	2,713
Total current trade and other payables	2,917	4,469

Amounts shown as current are expected to be settled within 12 months. Information relating to the Group's exposure to foreign exchange risk is provided in Note 3.

16. Provisions

	Consolidated 2015 $'000	Consolidated 2014 (Restated) $'000
Non-current		
Provision for employee benefits	420	478
Total non-current provisions	420	478

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. Based on past experience, the Group does not expect that any employees will take the full amount of accrued long service leave or require payment within the next 12 months. As such the entire amount is presented as non-current.

17. Contributed Equity

	Consolidated			
	2015 Shares	2014 Shares	2015 $'000	2014 (Restated) $'000
Share capital				
Ordinary shares – fully paid	401,290,987	401,011,505	229,014	228,981
Total share capital	401,290,987	401,011,505	229,014	228,981

Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholder meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

Equity incentives

Information relating to equity incentives including details of equity incentives exercised and lapsed during the financial year and equity incentives outstanding at the end of the financial year, is set out in note 18.

Capital management

The Group's objectives when managing capital are to ensure that the Group can continue as a going concern in order to provide benefits for shareholders and other stakeholders. Due to the nature of the Group's activities being mineral exploration, the primary source of funding to the activities is equity raisings. The focus for the Group's capital risk management is the current working capital position against the Group's requirements to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements with a view to raise capital when required. The working capital position of the Group at 30 June 2015 is as follows:

	Consolidated	
	2015 $'000	2014 (Restated) $'000
Cash and cash equivalents	18,453	34,306
Trade and other receivables	928	1,943
Trade and other payables	(2,917)	(4,469)
Working capital position	16,464	31,780

	Consolidated			
	Date	Number of Shares	Issue Price $	$'000
Movements in contributed equity				
Opening Balance 1 July 2013		400,464,983		228,932
Shares issued upon exercise of performance rights	29 Aug 13	226,181		-
Shares issued in lieu of executive salary	1 Nov 13	106,451		16
Shares issued in lieu of executive salary	4 Feb 14	91,667		16
Shares issued in lieu of executive salary	1 May 14	122,223		17
Closing Balance 30 June 2014		401,011,505		228,981
Opening Balance 1 July 2014		401,011,505		228,981
Shares issued in lieu of executive salary	8 Aug 14	104,430		17
Shares issued in lieu of executive salary	7 Nov 14	69,489		10
Shares issued in lieu of executive salary	22 Jan 15	105,563		6
Closing Balance 30 June 2015		401,290,987		229,014

18. Equity Incentives

The Company's Equity Incentive Plan gives executives and employees of the Company an opportunity, in the form of unlisted share options, share appreciation rights and performance rights, to subscribe for ordinary shares in the Company. No new share equity incentives were issued during the 2015 financial year.

Share appreciation rights

Set out below are summaries of share appreciation rights movements under the plan:

	2015		2014	
	Average exercise price per SAR	Number of SARs	Average exercise price per SAR	Number of SARs
As at 1 July	$0.256	41,545,684	$0.870	2,296,030
Granted during the year	-	-	$0.235	45,250,000
Lapsed during the year	$0.243	28,870,447	$0.330	(6,000,346)
As at 30 June	$0.286	12,675,237	$0.256	41,545,684
Vested and exercisable at 30 June	$0.310	4,879,841	$0.870	574,008

Expenses arising from the issue of SARs recognised during the current year totalled $61,518 (2014: $661,976).

Share appreciation rights outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	SARs 30 June 2015	SARs 30 June 2014
20 November 2012	19 November 2016	$0.87	655,592	655,592
4 December 2012	3 December 2016	$0.87	355,478	740,092
20 November 2013	31 December 2016	$0.235	6,666,667	10,000,000
19 December 2013	31 December 2016	$0.235	-	9,600,000
20 January 2014	31 December 2016	$0.235	4,997,500	20,550,000
Total			12,675,237	41,545,684
Weighted average remaining contractual life of SARs outstanding at end of period			1.5 years	2.5 years

The fair value at grant date of share appreciation rights ('SARs') issued during the year ended 30 June 2014 was determined using both the Black Scholes and Binomial valuation methods with the following inputs:

- Weighted average underlying share price (cents): 15.41
- Exercise price (cents): 23.50
- Life of the incentives (years): 2.51
- Weighted average risk free interest rate: 2.89%
- Expected share price volatility: 72%

Two separate tranches of SARs were issued during the year ended 30 June 2014. Terms and conditions attached to SARs issued are as follows:

Tranche 1

- Service criteria:
  i. Continued employment through to date of vest.
- Performance criteria:
  i. 30% vest upon receipt of ministerial notification for commencement of construction or the intended approval of a mining license or receipt of a formal mining license from the Government of Burkina Faso on or before 30 June 2014.
  ii. 35% vest upon obtaining an appropriate funding solution to enable the commencement of construction at the Banfora Gold Project on or before 31 December 2014.

18. Equity Incentives (continued)

iii. 35% vest upon the Board resolving to commence construction of the Banfora Gold Project on or before 30 September 2015.

Tranche 2

- Service criteria:
  i. Continued employment through to date of vest.
- Performance criteria:
  i. 6% vest upon receipt of ministerial granting to Gryphon of a mining exploitation licence for the Banfora Gold Project based on the original Bankable Feasibility Study on or before 30 June 2014.
  ii. 8% vest upon retention of employment through to 31 December 2014.
  iii. 9% vest upon commencement of substantial construction activities for the development of the Banfora Gold Project on or before 30 September 2015.
  iv. 14% vest upon retention of employment through to 31 December 2015.
  v. 35% vest upon first gold pour achieved at the Banfora Gold Project on or before 30 June 2016.
  vi. 7% vest upon receipt of ministerial granting to Gryphon of mining exploitation licence on the "Optimised" Banfora Gold Project on or before 30 December 2014 and retention of employment through to 31 December 2014.
  vii. 4% vest upon establishing new mining company and negotiation of a Mining Convention Agreement with the Burkina faso Government on or before 30 June 2015.
  viii. 3% vest upon delivery of an ESIA that meets IFC requirements and gains endorsement from the IFC for major mine development works to proceed on or before 30 November 2014.
  ix. 8% vest upon achieving a meaningful and cost effective gold discovery from Gryphon exploration tenements in 2014 on or before 31 December 2014.
  x. 6% vest upon achieving a meaningful and cost effective gold discovery from Gryphon exploration tenements in 2015 on or before 31 December 2015.

Performance rights

There were no performance rights ('PRs') issued during the reporting period. Set out below are summaries of PR movements under the plan:

	2015		2014	
	Average exercise price per PR	Number of PRs	Average exercise price per PR	Number of PRs
As at 1 July	N/A	323,770	N/A	904,716
Granted during the year	-	-	-	-
Exercised during the year	-	-	N/A	(226,181)
Lapsed during the year	N/A	151,552	N/A	(354,765)
As at 30 June	N/A	172,218	N/A	323,770
Vested and exercisable at 30 June	-	-	-	-

PRs outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	PRs 30 June 2015	PRs 30 June 2014
20 November 2012	19 November 2016	N/A	172,218	172,218
4 December 2012	3 December 2016	N/A	-	151,552
Total			172,218	323,770
Weighted average remaining contractual life of PRs outstanding at end of period			1.39 years	2.41 years

18. Equity Incentives (continued)

Unlisted share options

There were no unlisted share options ('options') issued during the reporting period. Set out below are summaries of option movements under the plan:

	2015		2014	
	Average exercise price per option	Number of options	Average exercise price per option	Number of options
As at 1 July	$1.84	650,000	$1.96	16,150,000
Granted during the year		-	-	-
Lapsed during the year	$1.96	(150,000)	$1.81	(15,500,000)
As at 30 June	$1.81	500,000	$1.84	650,000
Vested and exercisable at 30 June	$1.81	500,000	$1.84	650,000

Unlisted share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Options 30 June 2015	Options 30 June 2014
7 September 2011	3 August 2014	$1.96	-	150,000
4 July 2012	4 July 2015	$1.80	500,000	500,000
Total			500,000	650,000
Weighted average remaining contractual life of options outstanding at end of period			0.01 years	0.80 years

19. Reserves

	Consolidated	
	2015 $'000	2014 (Restated) $'000
Equity incentive reserve	12,523	12,238
Financial asset revaluation reserve	(5,352)	(2,786)
Foreign exchange reserve	360	225
Total reserves	7,531	9,677

Changes in the fair value and exchange differences arising on translation of investments, including financial assets held at fair value through equity are recognised in other comprehensive income as described in note 1 and accumulated in a separate reserve in equity. Amounts are reclassified to the statement of profit or loss and other comprehensive income when the associated assets are sold or impaired.

The functional currency translation reserve records exchange difference arising on translation of the Company's foreign controlled subsidiaries. Amounts are recorded in other comprehensive income and are accumulated in a separate reserve within equity. Upon disposal of the foreign controlled operation the cumulative amount within the reserve is reclassified to profit or loss.

19. Reserves (continued)

	Consolidated	
	2015	2014
	$'000	$'000
Equity incentive reserve		
Opening balance	12,238	11,403
Current year share based payment expense	951	946
Accelerated share based payment expense	96	-
Reversed share based payment expense	(762)	(111)
Closing balance	12,523	12,238

The equity incentive reserve records items recognised on valuation of director, employee and contractor equity incentives. Information relating to the Group's Equity Incentive Plan, including details of equity incentives issued, exercised and lapsed during the financial year and equity incentives outstanding at the end of the financial year, is set out in note 18.

20. Key Management Personnel Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2015	2014 (Restated)
	$	$
Short-term employee benefits	1,337,226	1,722,194
Share based payments	21,432	60,500
Post-employment benefits	103,257	138,659
Other benefits	19,186	53,287
Termination payments	165,003	188,462
Long-term incentives	178,457	477,772
Total key management personal remuneration	1,824,561	2,640,874

Detailed remuneration disclosures are provided within the audited remuneration report which can be found on pages 41 to 55 of the Directors' Report.

21. Remuneration of Auditors

The following fees were paid or payable for services provided by the auditor of the Group, its related practices and non-related audit firms:

	Consolidated	
	2015	2014 (Restated)
	$'000	$'000
BDO		
Assurance services	54	53
Total remuneration of BDO	54	53

22. Contingent Liabilities

Net Smelter Royalty

In 2008 Gryphon finalised the 100% acquisition of the Banfora Gold Project. Pursuant to this agreement Sanembaore Sarl Pty Ltd (the acquiree) retained of a one percent net smelter royalty on all Banfora production.

Employment Termination Claims

The Company has received claims from former employees in Burkina Faso regarding termination payments under local employment law. The Company believes it has abided by all Burkina Faso employment laws and will vigorously defend its position. The directors have disclosed the existence of the matter due to the inherent nature of disputes and the potential risk for arbitration to be unfavourable.

23. Commitments

	Consolidated	
	2015 $'000	2014 (Restated) $'000
Lease commitments		
Not longer than one year	240	234
Longer than one year, but not longer than five years	386	579
Longer than five years	-	-
Total lease commitments	626	813
Joint venture commitments		
Not longer than one year	367	957
Longer than one year, but not longer than five years	-	717
Longer than five years	-	-
Total joint venture commitments	367	1,674

The Group did not have any capital commitments at the current or prior reporting dates.

24. Related Party Transactions

Parent entity

The ultimate parent entity of the Group is Gryphon Minerals Limited.

Subsidiaries

Interests in other entities are set out in note 25.

Key management personnel

Disclosures relating to key management personnel (KMP) are set out in note 20 and section F of the remuneration report in the directors' report.

Terms & conditions

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

25. Interests in Other Entities

Material subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 1.

			Equity holding[1]	
Name of entity	Country of Incorporation	Class of Shares	2015 (%)	2014 (%)
Gryphon Minerals West Africa Pty Ltd	Australia	Ordinary	100	100
Gryphon Minerals Burkina Faso Pty Ltd	Australia	Ordinary	100	100
Espial Minerals Pty Ltd	Australia	Ordinary	100	100
Gryphon France Pty Ltd	Australia	Ordinary	100	100
Espial Holdings Pty Ltd	Australia	Ordinary	100	100
Gryphon (Shield) Mining Ltd	Australia	Ordinary	100	100
BF Minerals Pty Ltd	Australia	Ordinary	100	100
Gryphon Discovery Pty Ltd	Australia	Ordinary	100	100
Gryphon Minerals Mali Pty Ltd	Australia	Ordinary	100	100
Gryphon Mauritania Holdings Ltd	Isle of Man	Ordinary	100	100
Gryphon Saboussiri Holdings Ltd	Isle of Man	Ordinary	100	100
Société Minière Gryphon SA[2]	Burkina Faso	Ordinary	90[3]	100
Gryphon Minerals Burkina Faso Sarl	Burkina Faso	Ordinary	100	100
Sama Minerals Sarl	Burkina Faso	Ordinary	100	100
Burkina Faso Minerals Sarl	Burkina Faso	Ordinary	100	100
Gryphon Minerals Mali Sarl	Mali	Ordinary	100	100
Gryphon Mining Mauritania SA	Mauritania	Ordinary	100	100
Shield Saboussiri Mining Mauritania SA	Mauritania	Ordinary	60	60
Gryphon Minerals Côte d'Ivoire Sarl	Côte D'Ivoire	Ordinary	100	100

[1] Ownership interest is directly proportionate to voting interest.
[2] Exploitation company incorporated 15 May 2014.
[3] 10% relinquished to the Burkina Faso Government as required by law on 1 August 2014.

25. Interests in Other Entities (continued)

Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Shield Saboussiri Mining Mauritania SA	
	2015 $'000	2014 (Restated) $'000
Summarised statement of financial position		
Current assets	69	66
Current liabilities	(14)	(17)
Current net assets	55	49
Non-current assets	105	85
Non-current liabilities	(4,504)	(4,198)
Non-current net assets	(4,399)	(4,113)
Net liabilities	(4,345)	(4,064)
Accumulated NCI	(795)	(771)
Summarised Statement of profit or loss and other comprehensive income		
Revenue	-	-
Gain/(loss) for the period	(60)	(406)
Other comprehensive income	-	-
Total comprehensive loss	(60)	(406)
Gain/(loss) allocated to NCI	(24)	(162)
Dividends paid to NCI	-	-
Summarised Cash flows		
Cash flows from operating activities	(289)	(504)
Cash flows from investing activities	-	-
Cash flows from financing activities	287	471
Net increase/(decrease) in cash and cash equivalents	(2)	(33)

26. Events Occurring After the Reporting Period

No additional matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

27. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2015	2014 (Restated)
	$'000	$'000
Loss after income tax for the year	(14,521)	(51,382)
Adjustments for:		
Depreciation	753	636
Share based payments	285	834
Foreign exchange gains/(losses)	1,466	578
Fixed assets written off	437	1,257
Shares issued in lieu of salary	32	49
Changes in assets and liabilities:		
(Increase)/decrease in operating receivables & prepayments	(1,601)	30,441
Increase/(decrease) in trade and other payables	(1,610)	(638)
Net cash outflows from operating activities	(14,759)	(18,227)

28. Earnings Per Share (EPS)

	Consolidated	
	2015	2014 (Restated)
Loss for the period		
Loss used in the calculation of basic EPS	($14,521,293)	($51,382,320)
Weighted average number of ordinary shares ('WANOS')		
WANOS used in calculation of basic earnings per share	401,195,501	400,781,029
Basic loss per share (cents)	(3.6)	(12.8)

Diluted earnings per share is not shown or calculated as the Company is in a loss position.

29. Parent Entity Information

	2015 $'000	2014 (Restated) $'000
Assets		
Current assets	18,640	35,221
Non-current assets	32,520	41,275
Total assets	51,160	76,496
Liabilities		
Current liabilities	736	1,743
Non-current liabilities	420	478
Total liabilities	1,156	2,221
Equity		
Contributed equity	228,994	228,961
Accumulated losses	(186,161)	(164,139)
Total reserves	7,171	9,452
Total equity	50,004	74,274
Total comprehensive income/(loss) for the year		
Loss for the year	(22,022)	(28,436)
Other comprehensive gain/(loss) for the year	(2,566)	(5,307)
Total comprehensive loss for the year	(24,588)	(33,743)

Other information

The parent entity has not guaranteed any loans for any entity during the current or previous financial year. The parent entity did not have contingent liabilities at 30 June 2015 or 30 June 2014 other than disclosed at Note 22. The parent entity did not have contractual commitments at 30 June 2015 or 30 June 2014 other than disclosed in Note 23.

This is the end of the Financial Report.

Directors' Declaration

For the year ended 30 June 2015

In the Directors' opinion:

(a) The financial report and notes set out on pages 62 to 100 are in accordance with the *Corporations Act 2001*, including:

 (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

 (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date, and

(b) There are reasonable grounds to believe that Gryphon Minerals Limited will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the relevant persons as required by section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the Directors.

Stephen Parsons
Managing Director

Perth, Western Australia, 30 September 2015

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INDEPENDENT AUDITOR'S REPORT

To the members of Gryphon Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Gryphon Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Gryphon Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Gryphon Minerals Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Gryphon Minerals Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 30 September 2015

Additional Shareholder Information

Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be found on the Company's website.

Refer to http://www.gryphonminerals.com.au/index.php/en/corporate-profile-en/corporate-governance.

The shareholder information set out below was applicable as at 28 August 2015.

Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

Holding	Fully paid ordinary shares
1 – 1,000	558
1,001 – 5,000	891
5,001 – 10,000	568
10,001 – 100,000	1,374
100,001 and over	372
	3,763

There were 1,830 holders of less than a marketable parcel of ordinary shares.

Equity Security Holders

Twenty largest quoted equity security holders

The names of the twenty largest ordinary fully paid shareholders as at 28 August 2015 are as follows:

	Number held	% of issued shares
HSBC Custody Nominees (Australia) Limited	103,881,296	25.89
Citicorp Nominees Pty Limited	32,812,017	8.18
Merrill Lynch (Australia) Nominees Pty Limited	32,621,876	8.13
J P Morgan Nominees Australia Limited	18,953,164	4.72
ABN Amro Clearing Sydney Nominees Pty Ltd	5,531,867	1.38
Laguna Bay Capital Pty Ltd	4,000,000	1.00
BNP Paribas Noms Pty Ltd	3,523,536	0.88
Auralandia Pty Ltd	3,000,000	0.75
Zero Nominees Pty Ltd	2,562,539	0.64
National Nominees Limited	2,531,832	0.63
Mr Stephen Parsons	2,500,001	0.62
J & J Bandy Nominees Limited	2,500,000	0.62
Home Capital Finance Pty Ltd	2,400,000	0.60
Balmoral Super Pty Ltd	2,000,000	0.50
Mr Warren Gilmour & Mrs Catherine Gilmour	2,000,000	0.50
Symorgh Investments Pty Ltd <Symorgh A/C>	1,950,200	0.49
Mr Rubindran Kuppusamy	1,704,878	0.42
Mr Benjamin Chun Ming Seeto & Mrs Shirley Seeto	1,503,000	0.37
Symorgh Investments Pty Ltd <Symorgh Superannuation Fund>	1,500,000	0.37
Jasark Super Pty Ltd	1,500,000	0.37
Dr Steven G Rodwell	1,482,776	0.37
Dr Rodney Paul Thelander & Mrs Sandra Sue Thelander	1,444,728	0.36
	231,903,710	57.79

Additional Shareholder Information (continued)

Substantial Holders

Substantial holders in the Company are set out below:

Ordinary Shares	Number held	% of issued shares
Genesis Asset Managers LLP	34,079,256	8.51
Global X Management Company	25,533,188	6.36

Voting Rights

In accordance with the Company's constitution, on a show of hands every member present in person or by proxy or attorney or duly appointed representative has one vote. On a poll every member present or by proxy or attorney or duly authorised representative has one vote for every fully paid share held. Option holders have no voting rights.

Schedule of Mineral Tenements

As at 30 September 2015

Project	Tenement	Interest	Status
Banfora	Wahignon	100%	Granted
	Nogbele	100%	Granted
	Nianka	100%	Granted
	Dierisso	100%	Granted
	Nianka Nord	100%	Granted
	Zeguedougou	100%	Granted
	Nogbele Sud	100%	Granted
Gourma	Boutouanou	0% | Earn-in JV	Granted
	Diabatou	0% | Earn-in JV	Granted
	Tyara	0% | Earn-in JV	Granted
	Foutouri	0% | Earn-in JV	Granted
	Tyabo	0% | Earn-in JV	Granted - Transfer in progress
	Kankandi	0% | Earn-in JV	Granted - Transfer in progress
Golden Hill	Baniri	0% | Earn-in JV	Granted
	Intiedougou	0% | Earn-in JV	Granted
	Mougue	0% | Earn-in JV	Granted
Saboussirri	EL236	60%	Granted
	EL879	60%	Granted
	EL1074	60%	Granted
Tijirit	EL447	100%	Granted
	EL1117	100%	Granted
Akjoujt	EL448	100%	Granted
North-West	Odienne	100%	Granted
Côte d'Ivoire	Samaminkan	100%	Granted

Note:
EL: Exploration Licence