



GRYPHON MINERALS LIMITED
ACN 107 690 657

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00am (WST)

DATE: Wednesday, 25 November 2015

PLACE: 288 Churchill Avenue
Subiaco WA 6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9287 4333.

Details of the Meeting

Notice is hereby given that the Annual General Meeting of Gryphon Minerals Limited (ABN 31 107 690 657) will be held at 288 Churchill Avenue, Subiaco, Western Australia on Wednesday, 25 November 2015 at 11.00am (WST).

Your Vote and Voting Eligibility

The business of the Meeting affects your shareholding and your vote is important. To vote in person, attend the Meeting at the time, date and place set out above. If you are unable to attend the Meeting, you are encouraged to complete and return the Proxy Form attached to this Notice of Meeting.

The Board has determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on Monday, 23 November 2015.

Voting by Proxy

You have the right to appoint a proxy (who need not be a Shareholder). A proxy can be an individual or a body corporate. If you are a corporate Shareholder refer to the "Corporate Representatives" section below.

If you are entitled to cast two or more votes at the Meeting you may appoint one or two proxies. If you appoint two proxies, you should complete two separate Proxy Forms and return both forms together. If you appoint two proxies you may specify the percentage of votes each proxy is to exercise. If no proportion is specified, each proxy may exercise half of your votes.

You can direct your proxy to vote "for", "against" or "abstain" from voting on each resolution by marking the appropriate box in the Voting Directions section of the Proxy Form.

If a proxy holder votes, they must cast all votes as directed. Any directed proxies that are not voted will automatically default to the Chair, who must vote the proxies as directed.

If you sign the Proxy Form, but do not complete the boxes in the Voting Directions section of the Proxy Form, the Chair will be appointed as your proxy.

If you appoint the Chair as your proxy and do not direct him how to vote, you are expressly authorising the Chair to cast your undirected proxy on all proposed Resolutions in accordance with his intentions set out below.

If the Chair of the meeting is appointed, or taken to be appointed as a Shareholder's proxy and the appointment does not direct the Chair as to how to vote on a resolution, the Chair intends to exercise all available votes in favour of all of the proposed Resolutions.

Proxy Voting on Resolution 1

If the Chair is to act (whether by appointment or by default) as your proxy in relation to Resolution 1 (adoption of Remuneration Report) and you have not given directions on how to vote by marking the appropriate box in the Voting Directions section of the Proxy Form, the Proxy Form expressly directs and authorises the Chair to cast your vote "for" Resolution 1. This express authorisation is included because without it the Chair would be precluded from casting your votes, as these resolutions are connected with the remuneration of directors and senior management named in the Company's Remuneration Report) ("**Key Management Personnel**" or "**KMP**").

If you appoint any KMP or their closely related parties (such as family members and any controlled companies) other than the Chair, as your proxy, they will not be able to vote on Resolution 1 unless you have directed them how to vote, by marking the appropriate box in the Voting Directions section of the Proxy Form. If you intend to appoint a KMP or the Chair as your proxy, you are encouraged to direct them how to vote on Resolution 1 by marking either “for”, “against” or “abstain” in the Voting Directions section of the Proxy Form.

The completed Proxy Form must be received at the office of Link Market Services Limited, as detailed below by 11.00am (WST) on Monday, 23 November 2015.

Mail:	Gryphon Minerals Limited C/- Link Market Services Limited Locked Bag A14 Sydney NSW 1235 Australia	Hand delivery:	Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138 Australia
-------	--	----------------	---

By Facsimile: +61 2 9287 0309

Online: Login to the Link Market Services Limited’s website using the holding details as shown on the Proxy Form. Select ‘Voting’ and follow the prompts to lodge your vote.

Corporate Representatives

Corporate Shareholders who wish to appoint a representative to attend the meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the corporate Shareholder’s representative. The authorisation may be effective either for this meeting only or for all meetings of the Company. Shareholders can download and fill out the ‘Appointment of Corporate Representation’ form from Link Market Services Limited’s website: www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html

BUSINESS OF THE MEETING

The Explanatory Statement which accompanies and forms part of this Notice of Meeting describes the matters to be considered (as set out below).

1. Financial Report

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2015, together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

2. Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding advisory resolution**:

"That for the purpose of section 250R(2) of the Corporations Act the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2015 be approved and adopted."

Voting prohibition statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any Key Management Personnel or closely related parties (such as family members and any controlled companies) of such a member.

However, Key Management Personnel or their closely related parties ("**Voter**") may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of any other Key Management Personnel or their closely related parties and either:

- a. the Voter is appointed as a proxy and the Proxy Form specifies the way the proxy is to vote on this Resolution; or
- b. the Voter is the Chair and the appointment of the Chair as proxy:
 - i. does not specify the way the proxy is to vote on this Resolution; and
 - ii. expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2: Re-election of Mr Mel Ashton

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 14.4 and clause 11.12 of the Constitution and for all other purposes, Mr Mel Ashton, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. Resolution 3: Issue of Performance Rights to Related Party – Mr Stephen Parsons

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 5,097,414 Performance Rights to Mr Stephen Parsons (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."

ASX Voting Exclusion:

The Company will disregard any votes cast on this Resolution by Mr Stephen Parsons (or his nominee/s), and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either:

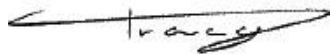
- a. a member of the Key Management Personnel; or
- b. a Closely Related Party of such a member; and
- c. the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- a. the proxy is the Chair; and
- b. the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated this 23rd day of October 2015

By Order of the Board



Carl Travaglini
Company Secretary, Gryphon Minerals Limited

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. Financial statements and reports

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2015, together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.gryphonminerals.com.au.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

2. Resolution 1: Adoption of the Remuneration Report

2.1. General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that its remuneration report be adopted must be put to the shareholders. The remuneration report sets out a company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

You should note, your vote on the adoption of the Remuneration Report is advisory only and does not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

2.2. Voting consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of a company's remuneration report at two consecutive annual general meetings, shareholders of the company will be required to vote at the second of those meetings on a resolution ("**Spill Resolution**").

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election. At the Company's previous annual general meeting the votes cast against the remuneration report considered at that meeting were less than 25%. Accordingly, a Spill Resolution is not relevant for this Meeting.

The Chair will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report at the Meeting.

2.3. Background

To preserve the Company's cash position, the Board has spent a considerable amount of time focusing on its remuneration framework and policy reflecting on past feedback from stakeholders and significant cost reduction measures.

Your Directors recognise 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 in an increasingly competitive remuneration market. 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 Company's remuneration framework provides a mix of fixed and variable "at risk" remuneration and a blend of short and long-term incentives. Full details of the remuneration framework are provided in the Remuneration Report.

Your Directors would like to point out several cost reduction remuneration initiatives that the Company has implemented which they believe are relevant to Shareholders in considering their vote on the 2015 Remuneration Report:

- a. no additional fees were paid to non-executive Directors for memberships of a board committee;
- b. continued salary freeze on the base salaries of all executives (third consecutive year);
- c. the short term incentive plan remained suspended (second consecutive year); and
- d. no long term incentives were issued during the 2015 financial year.

Your Directors would like to point out further cost reduction remuneration initiatives the Company has implemented for the financial year ended 30 June 2016:

- a. 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;
- b. as at 1 July 2015 the Managing Director has agreed to a voluntary reduction in his base salary of 10%. This is the Managing Director's second voluntary fee reduction in the past 2 years totalling 28% in reductions; and
- c. as at 1 October 2015 all other key management personnel agreed to receive 10% of their base salary in shares, rather than cash.

The Board unanimously recommend that Shareholders vote in favour of Resolution 1.

3. Resolution 2: Re-election of director – Mr Mel Ashton

Clause 11.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not three nor a multiple of three, then the number nearest one-third and any other Director not in such one-third who has held office for three years or more (except the Managing Director) must retire from office.

A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

The Directors to retire at an annual general meeting must be those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot.

Mr Mel Ashton, the Director longest in office since his last election, retires by rotation and seeks re-election.

Mr Mel Ashton holds a Bachelor of Commerce degree from the University of Western Australia, is a fellow of Chartered Accountants Australia and New Zealand and a fellow of the Australian Institute of Company Directors. Mr Ashton has over 30 years' experience in corporate reconstruction, risk management and governance. He is currently the Chairman for Empired Ltd and Venture Minerals Ltd and recently held the position of President of Chartered Accountants Australia and New Zealand.

Mr Ashton has served as Chairman of the Company for over 10 years. In order to meet the changes to independence criteria set out in the 3rd edition of the ASX Corporate Governance Council Principles and Recommendations the Board performs a review of Mr Ashton's independence status every six months to determine whether his tenure with the Company has impacted his independence. The Board has determined that Mr Ashton continues to be independent.

The Board is of the opinion that Mr Ashton continues to provide an invaluable contribution to Board activities and unanimously recommend that shareholders vote in favour of Resolution 2.

4. Resolution 3: Issue of Performance Rights to Related Party – Mr Stephen Parsons

4.1. General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 5,097,414 Performance Rights to the Managing Director of the Company, Mr Stephen Parsons (or his nominee/s) on the terms and conditions set out below.

The 5,097,414 Performance Rights will be issued in two separate equal tranches of 2,548,707 to be issued on the same date, but with each tranche having a different Performance Hurdle as set out below:

Tranche 1: Will vest upon the Board resolving to commence construction of the Banfora Gold Project on or before 30 September 2017.

Tranche 2: Will vest upon first gold pour being achieved at the Banfora Gold Project in Burkina Faso on or before 30 September 2018.

In addition, the Performance Rights will automatically vest in the event of a change of control of the Company and at the discretion of the Board which is exercisable in the circumstances set out in Annexure A.

The issue of the Performance Rights will be granted, subject to shareholder approval, under the Gryphon Minerals Limited – Equity Incentive Plan approved by Shareholders on 20 November 2012. See Annexure A for further details regarding the terms and conditions of the Performance Rights.

The Company's remuneration policy for long-term incentives is discussed in detail in the Company's 2015 annual report. In summary the following principles apply for grants of long-term incentives:

- a. the grants are made annually, and subject to a maximum percentage threshold amount of fixed remuneration (being currently set at 75% for the Managing Director); and
- b. vesting is subject to performance measured against longer term internal and external performance measures.

The Company believes that the issue of Performance Rights is appropriate to align the creation of shareholder value and remuneration whilst minimising cash outflows.

4.2. Background

Over the past two years the Company has implemented significant cost reduction measures to conserve the company's strong cash position.

Mr Parsons has personally contributed to these cost reduction measures by:

- a. agreeing to a voluntary reduction of base salary by 28% over the past two years;
- b. voluntarily waiving 50% of his accrued 2013 Financial Year short term incentive (\$325,000); and
- c. deferring the remaining 50% of his accrued 2013 Financial Year short term incentive until first gold pour at the Banfora Gold Project, or if there is a change of control of the Company, or cessation of Mr Parsons employment with the Company.

The Directors believe the issue of Performance Rights to Mr Parsons is reasonable given:

- a. the increased workload and commitment to the Company that Mr Parsons has demonstrated through the voluntary reduction of his base salary and deferral of the 2013 Financial Year short term incentive payments;
- b. the value of these Performance Rights at the date of this Notice is within the thresholds set out in the revised remuneration framework as adopted by the Company in July 2012 which received overwhelming endorsement from shareholders (a 98% 'for' vote) at the Company's 2012 annual general meeting;
- c. the strategy to increase the "at risk" component of Mr Parsons remuneration;
- d. the strategy to align the creation of shareholder value and remuneration; and
- e. to conserve the Company's cash position.

As such the Directors (excluding Mr Parsons) unanimously recommend shareholders vote in favour of Resolution 3.

4.3. Section 208 of the Corporations Act

Section 208 of the Corporations Act states that a public company cannot give a 'financial benefit' (including an issue of shares or rights) to a 'related party' of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting.

As a Director, Mr Stephen Parsons is a related party of the Company within the meaning specified under section 228 of the Corporations Act. Further, the provision of the Performance Rights constitutes a financial benefit within the meaning of section 229 of the Corporations Act. Accordingly, Shareholder approval is sought under section 208 of the Corporations Act to permit issue of the Performance Rights under Resolution 3 to Mr Stephen Parsons as a related party of the Company.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolution 3:

- a. The related party to whom the financial benefit is to be given
Mr Stephen Parsons (or his nominee/s).

b. The nature of the financial benefit

The issue of up to 5,097,414 Performance Rights to Mr Stephen Parsons. The Performance Rights will be issued on the terms set out in Annexure A.

c. Valuation of the financial benefit

The Company engaged Stantons International to prepare independent valuations of the Performance Rights. Using the Market Valuation methodology, Stantons International has calculated the estimated value of each Performance Right to be \$0.058 per Performance Share, or an aggregate value of \$295,650.

The following variables and assumptions were used in the valuation:

- i. A Company share price of \$0.058 (closing market price on ASX on 13 October 2015).
- ii. Expiry date of 25 November 2018.

The valuation shown is indicative only and as a result of fluctuating share prices will vary between the date of this Notice of Meeting and when the Performance Rights are issued (if approved).

d. Current remuneration and security interests

As at the date of this Notice Mr Parsons' annual salary (including 9.5% compulsory superannuation) was \$394,200.

As at the date of this Notice Mr Parsons directly and indirectly held the following security interests in the Company:

- 7,036,310 Shares;
- 3,333,333 Share Appreciation Rights with an exercise price of \$0.235; and
- 218,530 Share Appreciation Rights with an exercise price of \$0.87.

e. Dilution

The number of Performance Rights issued equals the number of Shares that may be issued upon vesting and/or exercise of the Performance Rights. The maximum number of Shares that may be issued on the exercise of the Performance Rights is 5,097,414.

If all of the Performance Rights issued under this Resolution were converted into Shares, and no other Shares were issued by the Company, the shareholding of existing Shareholders would, based on the current issued capital of the Company, be diluted by approximately 1.27%.

f. Accounting

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods means that, under AASB2 Share-based Payment, equity-based compensation (such as the Performance Rights under this Resolution) will be recognised as an expense in respect of the services received.

g. Trading history

As at the date of the Notice, the Company had 401,290,987 Shares on issue. The highest and lowest market sale price in the Company during the twelve months immediately preceding the date of the Notice was \$0.135 on 15 October 2014 and \$0.044 on 5 December 2014. The closing market sale price of the Company's Shares on ASX on 13 October 2015 was \$0.058.

As at the date of this Notice, the Company had 6,499,841 share appreciation rights on issue. There were no other equity based securities on issue as at the date of this Notice.

h. Terms of the securities

The terms of the Performance Rights are set out in Annexure A.

i. Opportunity costs to the Company

The Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights.

j. The intended use of the funds raised

There will be no funds raised in connection with the issue of the Performance Rights under this Resolution as the Performance Rights are to be issued without payment of cash consideration.

k. Director's interests

Mr Stephen Parsons has a material personal interest in the outcome of Resolution 3 as the recipient of the Performance Rights. No other Director has a material personal interest in the outcome of Resolution 3.

l. Director's recommendations

The recommendation of the Directors and the reasons for that recommendation are as follows:

- i. each Director (other than the abstaining Director Mr Stephen Parsons) recommends that Shareholders vote in favour of Resolution 3; and
- ii. each of the Directors making the recommendation to vote in favour of Resolution 3 considers that the Resolution is in the best interests of the Company as recognition of Mr Stephen Parsons' continued contribution to the Company's progress to date and to further incentivise his ongoing performance and commitment to the Company.

m. Other information

Other than as set out in the Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolution 3.

4.4. ASX Listing Rule 10.14

ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As the issue of the these Performance Rights involves the issue of securities under an employee incentive scheme to a Director, Shareholder approval pursuant to ASX Listing Rule 10.14 is required.

The issue of the Performance Rights under Resolution 3 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1, as those Performance Rights (once approved by Shareholders and issued) will be excluded from the calculations under Listing Rule 7.1.

4.5. Shareholder approval (Listing Rule 10.14)

As required by Listing Rule 10.15, the following information is provided in relation to Resolution 3:

- a. The maximum number of Performance Rights to be issued to Mr Parsons (or his nominee/s) is 5,097,414;
- b. The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights or the subsequent issue of Shares (if any). Accordingly, no funds will be raised from the issue or vesting of the Performance Rights;
- c. Since last approval under the scheme, Mr Parsons being the only person referred to in Listing Rule 10.14 who received securities under the scheme, received the following number of securities:
 - i. 10,874,124 Share Appreciation Rights at no acquisition price (of which 7,322,261 have lapsed or expired)
 - ii. 344,435 Performance Rights at no acquisition price (of which 258,326 have lapsed or expired)
- d. As at the date of this Notice, Mr Parsons is the only person declared by the Board to be eligible to be issued Performance Rights under the Plan that is covered by ASX Listing Rule 10.14 (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained);
- e. A voting exclusion statement for Resolution 3 has been included in the Notice of Meeting preceding this Explanatory Statement;
- f. As the Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights or the subsequent issue of Shares (if any), no loan will be provided by the Company to Mr Parsons in relation to the issue of the Performance Rights;
- g. Details of any securities issued under the employee incentive scheme will be published in each annual report of the entity relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under Listing Rule 10.14.

Any additional persons who become entitled to participate in the employee incentive scheme after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under Listing Rule 10.14;

- h. It is expected that the 5,097,414 Performance Rights will be issued to Mr Parsons (or his nominee) as soon as practicable after Shareholder approval is obtained and in any event no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules); and
- i. The terms of the Performance Rights are set out in Annexure A.

GLOSSARY

'\$' means the official currency of the Commonwealth of Australia.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASX means ASX Limited.

ASX Listing Rules means the listing rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- i. a spouse or child of the member;
- ii. a child of the member's spouse;
- iii. a dependent of the member or the member's spouse;
- iv. anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the Company;
- v. a company the member controls; or
- vi. a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Gryphon Minerals Limited (ACN 107 690 657).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Equity Securities has the same meaning as in the ASX Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Managing Director means the managing director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Performance Right means an entitlement to be issued and/or transferred (as determined by the board in its sole and absolute discretion) one Share, subject to any Vesting Conditions and/or Performance Hurdles being determined by the Board (acting reasonably) to be satisfied, waived by the Board, or deemed to have been satisfied.

Proxy Form means the proxy form accompanying the Notice.

Related Party of a member of the Key Management Personnel means:

- i. a spouse or child of the member;
- ii. a child of the member's spouse;
- iii. a dependent of the member or the member's spouse;
- iv. anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the Company;
- v. a company the member controls; or
- vi. a person prescribed by the Corporations Regulations 2001 (Cth).

Remuneration Report means the remuneration report set out in the director's report section of the Company's annual financial report for the year ended 30 June 2015.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Vesting Conditions means any time based criteria, requirements or conditions which must be met prior to awards vesting.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

- (a) **(Performance Rights)** Each Performance Right is an option to acquire by way of issue an ordinary share in the capital of Gryphon Minerals Limited (Company).
- (b) **(Exercise Price)** There is no exercise price of each Performance Right. However the Performance Rights are not exercisable until they have vested.
- (c) **(Expiry Date)** The Performance Rights expire on 25 November 2018.
- (d) **(General meetings)** The Performance Rights shall not confer on the holder (Holder) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to holders of fully paid ordinary shares in the capital of the Company (Shareholders). Holders have the right to attend general meetings of Shareholders.
- (e) **(No voting rights)** The Performance Rights do not entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders.
- (f) **(No dividend rights)** The Performance Rights do not entitle the Holder to any dividends.
- (g) **(Rights on winding up)** The Performance Rights will not participate in the surplus profits or assets of the Company upon winding up of the Company.
- (h) **(Not transferable)** The Performance Rights are not transferable.
- (i) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of reorganisation.
- (j) **(Application to ASX)** The Performance Rights will not be quoted on ASX. However, upon conversion of the Performance Rights into fully paid ordinary shares (Shares), the Company must within 10 Business Days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
- (k) **(Participation in entitlements and bonus issues)** Holders of Performance Rights will not be entitled to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.
- (l) **(No other rights)** The Performance Rights give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (m) **(Vesting on achievement of milestones)**
Vesting of the following types of Performance Rights is subject to the following milestones:

Tranche 1: Will vest upon the Board resolving to commence construction of the Banfora Gold Project on or before 30 September 2017.

Tranche 2: Will vest upon first gold pour being achieved at the Banfora Gold Project in Burkina Faso on or before 30 September 2018.

The Performance Rights will also vest upon the Board exercising its discretion in the following circumstances:

- i. the significant achievement of the strategic objectives set by the Board; or
 - ii. other significant contribution to the Company's business achieved prior to the expiry of the Performance Rights.
- (n) **(Lapse)** If the relevant Milestone is not achieved by the required date or, subject to clause (q), if the Holder ceases to be engaged by the Company before the relevant Milestone is achieved, the relevant Performance Rights will lapse.
- (o) **(Exercise procedure)** Subject to the Performance Rights having vested, the Holder may exercise the Performance Rights at any time on or before the expiry date by providing to the Company an exercise notice. The Company will issue the Holder with a new holding statement for the Shares within 10 Business Days following exercise.
- (p) **(Ranking upon exercise)** The Shares issued following the exercise of the Performance Rights will rank *pari passu* in all respects with existing Shares.
- (q) **(Vesting on Change of Control)** All unvested Performance Rights will immediately vest and be exercisable if any of the following change of control events occur prior to the required date for achievement of the relevant Milestone and prior to the cessation of the Holder's engagement with the Company:
- i. a party acquires a relevant interest in more than 50% of the Shares in the Company under a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
 - ii. a party acquires a relevant interest in more than 50% of the Company's ordinary Shares pursuant to a takeover bid; or
 - iii. a person or a group of associated persons becomes entitled to sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board and such changes to the Board are implemented.
- All Performance Rights vesting under this clause will lapse unless that are exercised within 7 days of vestment.
- (r) **(Deferral of taxing point)** Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (Act) applies to this Plan, subject to the requirements of the Act.



ABN 31 107 690 657


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Gryphon Minerals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Gryphon Minerals Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (WST) on Wednesday, 25 November 2015 at 288 Churchill Avenue, Subiaco WA 6008 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Mel Ashton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Performance Rights to Related Party – Mr Stephen Parsons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

GRY PRX501C



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (WST) on Monday, 23 November 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Gryphon Minerals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**