

14 March 2016



GRYPHON
MINERALS LIMITED

Option Exercised to Sell Mauritanian Gold and Copper Assets

Highlights

- Gryphon Minerals Limited has received notice from TSX-V listed entity Algold Resources Ltd (TMX:ALG) that it has exercised its option to acquire 100% of Gryphon's interest in the Tijirit Gold and Akjoujt Copper/Gold Projects in Mauritania.
- Gryphon to receive a further 8,700,000 shares in Algold bringing the total number of shares held to 10,666,666 (representing approximately 14.91% of Algold's issued capital).
- Consideration also includes a further A\$3.0 million on achievement of certain milestones.
- Gryphon Minerals to participate in any upside through its significant shareholding and milestone payments. Algold management has a strong track record in developing mineral projects in Mauritania.
- Allows Gryphon Minerals to focus funds on the Banfora Gold Project.

Gryphon Minerals Limited (ASX:GRY) is pleased to announce that the Company has received a Notice of Exercise of Option from Algold Resources Ltd (TMX: ALG) to acquire 100% of Gryphon's interest in the Tijirit Gold and Akjoujt Copper/Gold Projects in Mauritania.

Benefits of the Transaction

The benefits of the transaction include:

- Allowing Gryphon to focus its funds on the Banfora Gold Project in Burkina Faso;
- Obtaining a significant stake in a Canadian listed entity allowing Gryphon to participate in the upside; and
- Algold has an experienced management team with recent, relevant experience in developing mineral projects in Mauritania.

Consideration

Once the final documentation has been completed, Gryphon will receive a further 8,700,000 shares in Algold bringing the total number of shares held to 10,666,666 (representing approximately 14.91% of Algold's issued capital).

Corporate Directory

Non-Executive Chairman
Mel Ashton

Managing Director
Stephen Parsons

Non-Executive Directors
Didier Murcia
Bruce McFadzean

Company Secretary
Carl Travaglini

Contact Details

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ASX CODE

GRY

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In addition to the initial consideration, Gryphon is entitled to the following milestone payments:

- (i) C\$1.5 million, payable at the option of Algold either in cash or Algold common shares upon the earlier of:
 - the date that is 90 days after Algold announces that there is an NI 43-101 compliant mineral resource (of any one or more categories of measured, indicated or inferred) of 500,000 ounces on a gold equivalent ounces basis at any of the Properties or combination thereof; andthe later of the following two dates:
 - the date which falls 15 months from the completion of the transaction; and
 - the date on which Algold receives, from the Mauritanian authorities, the documents evidencing the renewal of the licenses with respect to the tenements subject to the option agreement; and
- (ii) C\$1.5 million, payable within 90 days of achieving an NI 43-101 compliant mineral resource (of any one or more categories of measured, indicated or inferred) of 1,000,000 ounces on a gold equivalent ounces basis at any of the Properties.

The finalisation of the documentation is expected in the next few business days.

Yours faithfully

Stephen Parsons
Managing Director

¹ CAD/AUD exchange rate of 1.00.