

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

**Name of entity**

GRYPHON MINERALS LIMITED

**ABN**

31 107 690 657

**Quarter ended ("current quarter")**

31 March 2016

**Consolidated statement of cash flows**

	Current quarter <sup>2</sup> \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(1,235)	(4,442) <sup>1</sup>
(b) development	-	-
(c) production	-	-
(d) administration	(784)	(2,646)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	87	324
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 R&D tax refund	-	-
1.8 Refund of exploration payment	-	-
<b>Net Operating Cash Flows</b>	<b>(1,932)</b>	<b>(6,766)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for purchases of:		
(a) joint venture earn-ins	(289)	(1,338) <sup>1</sup>
(b) equity investments	-	-
(c) other fixed assets	(2)	(51)
1.10 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Refund on equipment purchase	-	385
1.14 Tenement refund	-	2
<b>Net investing cash flows</b>	<b>(291)</b>	<b>(1,002)</b>
1.15 Total operating and investing cash flows (carried forward)	<b>(2,223)</b>	<b>(7,768)</b>

Note: <sup>1</sup> Prior period payments for joint venture earn-ins removed from operating cashflows and reported separately as investing cashflows.

<sup>2</sup> Refer to Quarterly Activities Report for summary of expenditure.

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1.16	Total operating and investing cash flows (brought forward)	(2,223)	(7,768)
	<b>Cash flows related to financing activities</b>		
1.17	Proceeds from issues of shares, options, etc.	-	-
1.18	Proceeds from sale of forfeited shares	-	-
1.19	Proceeds from borrowings	-	-
1.20	Repayment of borrowings	-	-
1.21	Dividends paid	-	-
1.22	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(2,223)	(7,768)
1.23	Cash at beginning of quarter/year to date	12,868	18,452
1.24	Exchange rate adjustments to item 1.23	(10)	(49)
1.25	<b>Cash at end of quarter</b>	<b>10,635</b>	<b>10,635</b>

#### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.26	Aggregate amount of payments to the parties included in item 1.28	139
1.27	Aggregate amount of loans to the parties included in item 1.11	-

#### 1.28 Explanation necessary for an understanding of the transactions

<b>Payments to Directors</b> Salaries, Fees and Superannuation	134
<b>Payments to Director related entities</b> Murcia Pestell Hillard Pty Ltd (legal advice)	5

#### Non-cash financing and investing activities

##### 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

In February 2016, Algold Resources Ltd (TMX:ALG) issued the Company with 300,000 Algold shares (A\$24,000) in exchange for extending its Option Agreement over the Company's interest in its Mauritanian licenses.

In March 2016, Algold exercised its option to acquire 100% of Gryphon's interest in three Mauritanian exploration licenses. In line with the terms of the option agreement Algold issued the Company an additional 8.7m Algold shares (A\$1.04m) in exchange for the licenses.

##### 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil.

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,141
4.2 Development	-
4.3 Production	-
4.4 Administration	724
<b>Total</b>	<b>1,865</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	635	1,368
5.2 Deposits at call	10,000	11,500
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>10,635</b>	<b>12,868</b>

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#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Mauritania: Tijirit- EL447, EL1117 Akjoujt- EL448	Contractual	100%	0% <sup>1</sup>
		Saboussiri - EL236	Expiry	60%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Burkina Faso: Gourma Project- Boutouanou	JV Earn In	0%	51% <sup>2</sup>
		Diabatou	JV Earn In	0%	51% <sup>2</sup>
		Tyara	JV Earn In	0%	51% <sup>2</sup>
		Foutouri	JV Earn In	0%	51% <sup>2</sup>
		Golden Hill- Baniri	JV Earn In	0%	51% <sup>2</sup>
		Intiedougou	JV Earn In	0%	51% <sup>2</sup>
		Mougue	JV Earn In	0%	51% <sup>2</sup>

Note: <sup>1</sup> In March 2016, Algold Resources Ltd (TMX:ALG) exercised its option to acquire 100% of Gryphon's interest in these exploration licenses which were still registered in Gryphon's name at 31 March 2016.

<sup>2</sup> In January 2016 Gryphon reached its first earn-in milestone under the Boss Resources Ltd (ASX:BOE) Joint Venture, earning a controlling 51% holding with a pathway to 80% ownership.

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference <sup>+</sup> securities (description)	-	-	-
7.2	Changes during quarter	-	-	-
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	<sup>+</sup> Ordinary securities	401,460,601	401,460,601	-
7.4	Changes during quarter	169,614	169,614	5.2
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-
	<sup>+</sup> Convertible debt securities (description)	-	-	-

+ See chapter 19 for defined terms.

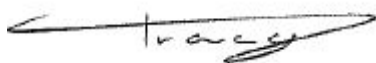
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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> ( <i>description and conversion factor</i> )	-	-	-	-
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Share Appreciation Rights</b> ( <i>description</i> )	<i>Total number</i> 218,530 355,478 5,275,833	- - -	<i>Exercise price</i> 87.0 cents 87.0 cents 23.5 cents	<i>Expiry date</i> 19 Nov 2016 3 Dec 2016 31 Dec 2016
7.12	Issued during quarter	-	-	-	-
7.13	Exercised during quarter	-	-	-	-
7.14	Expired during quarter	-	-	-	-
7.15	<b>Performance Rights</b> ( <i>description</i> )	<i>Total number</i> 11,390,000	-	<i>Exercise price</i> N/A	<i>Expiry Date</i> 30 Sept 2018
7.16	Issued during quarter	11,390,000	-	N/A	30 Sept 2018
7.17	Exercised during quarter	-	-	-	-
7.18	Expired during quarter	-	-	-	-
7.19	<b>Debentures</b> ( <i>totals only</i> )	-	-		
7.20	<b>Unsecured notes</b> ( <i>totals only</i> )	-	-		

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 29 April 2016  
Company Secretary

Print name: Mr Carl Travaglini

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#### Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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