

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Gryphon Minerals Limited (Gryphon)

ACN/ARSN 107 690 657

1. Details of substantial holder (1)

Name Teranga Gold Corporation (Teranga)

ACN/ARSN (if applicable) 146 848 508

The holder became a substantial holder on July/19/2016

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	21,200,000	21,200,000	5.01%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Teranga	Relevant interest under section 608(1) of the Corporations Act as registered holder of the shares. Teranga acquired the shares pursuant to a letter agreement with Gryphon dated 19 July 2016, a copy of which is attached as Annexure "A".	21,200,000 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Teranga	Teranga	Teranga	21,200,000 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	

Teranga	July 19, 2016	A\$4,367,200		21,200,000 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Teranga	121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9 Canada

Signature

print name David Savarie capacity General Counsel & Corporate Secretary

sign here  date July/19/2016

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in

relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure "A"
Letter Agreement

This is Annexure "A" of 5 pages referred to in the Form 603 (Notice of Initial Substantial Shareholder), signed by me and dated 19 July, 2016.

A handwritten signature in blue ink, appearing to be 'DS', is positioned above a horizontal line.

David Savarie
General Counsel & Corporate Secretary
Teranga Gold Corporation

19 July 2016

Mr Richard Young
President & Chief Executive Officer
Teranga Gold Corporation
121 King Street West, Suite 2600,
Toronto, ON, CANADA, M5H3T9

Placement of Shares in Gryphon Minerals Limited

1. Overview

By signing this letter agreement Teranga Gold Corporation (**Subscriber**) confirms that it has agreed to subscribe for shares in Gryphon Minerals Limited ABN 31 107 690 657 (**Company**) on the terms and conditions in this letter agreement and the Company, by signing this letter agreement, agrees to issue the shares on the terms and conditions set out in this letter agreement.

2. Placement

The Company is pleased to offer the Subscriber a placement of 21,200,000 new fully paid ordinary shares (**Placement Shares**) in the Company at A\$0.206 per Placement Share to raise A\$4.36 million (**Subscription Monies**) (**Placement**).

3. Acceptance

To confirm the Subscriber's irrevocable acceptance of the terms of the Placement please sign and return this letter agreement by hand or email to:

Steve Parsons, Managing Director
Gryphon Minerals Limited
288 Churchill Road, Subiaco, Western Australia 6008, Australia
email: steve.parsons@gryphonminerals.com.au

with a copy to:

Heath Lewis
Partner, King & Wood Malleons
email: heath.lewis@au.kwm.com

By signing and returning this letter agreement the Company and the Subscriber will have entered into a legally binding agreement and the Subscriber will have agreed to subscribe for the Placement Shares on the terms and conditions in this letter agreement, and the Company will have agreed to issue the Placement Shares on the terms and conditions set out in this letter agreement.

4. Settlement Date

Settlement of the Placement (**Settlement**) is to occur on July 18, 2016, or such other date as agreed to by the parties in writing (**Settlement Date**).

On Settlement, the Company and the Subscriber must each fulfil the following obligations (as applicable):

- (a) the Subscriber must pay the Subscription Monies to the Company in accordance with clause 7; and
- (b) the Company must allot the Placement Shares to the Subscriber and deliver a holding statement for the Placement Shares to the Subscriber.

Each of the above actions are co-dependent on the others and Settlement will only be deemed to occur following completion of each of the actions set out in this clause 4.

5. Post-Settlement obligations of the Company

The Company must:

- (a) give a Cleansing Notice to the ASX within five business days after the day on which the Placement Shares are issued; and
- (b) apply for official quotation of the Placement Shares on the ASX on or before the date of issue of the Placement Shares.

'**Cleansing Notice**' means a notice to be given by the Company to the ASX which, when given, complies with the requirements of section 708A (6) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

6. Company constitution

On Settlement, the Subscriber agrees to be bound by the Company's constitution.

7. Payment of Subscription Monies

The Subscription Monies must be paid by electronic funds transfer to the Company's bank account set out below:

Bank:
 Account name:
 BSB number:
 Account number:
 Swift Code:
 Bank address:

8. Offer personal

The offer of the Placement Shares and this letter agreement is personal to the Subscriber and does not constitute an offer to any other person or to the public generally in Australia or anywhere else. The Subscriber may not assign, transfer, or in any other manner, deal with

the Subscriber's rights or obligations under this letter agreement without the prior written agreement of the Company.

9. Rights attaching to the Placement Shares

To the maximum extent permitted by law, the Placement Shares will rank equally in all respects, including for dividends, distributions, rights and other benefits, with existing fully paid ordinary shares in the Company.

10. Representations and warranties

Each party represents and warrants to the other each of the following:

- (a) it has the power to enter into and comply with all of the terms and conditions of this letter agreement;
- (b) all approvals and authorities that may be required to permit it to enter into this letter agreement and to perform this letter agreement in accordance with its terms have been obtained and remain valid and continuing; and
- (c) this letter agreement is valid and a binding obligation.

The Company represents and warrants to the Subscriber each of the following:

- (a) the Placement Shares, once issued, will rank equally with all other fully paid ordinary shares in the capital of the Company;
- (b) the Company will not contravene any agreements to which it is a party in issuing the Placement Shares; and
- (c) the Company is in compliance with its obligations under ASX Listing Rule 3.1 and the entry into this letter agreement and the issue of the Placement Shares will not contravene the Company's constitution or the ASX Listing Rules; and
- (d) the Company:
 - (i) complies with the requirements of section 708A of the Corporations Act and all of the conditions under sections 708A(5)(a) to (d) of the Corporations Act are met;
 - (ii) represents that there is no determination in force under section 708A(2) of the Corporations Act;
 - (iii) will not issue a Cleansing Notice which is defective for the purposes of section 708A(10) of the Corporations Act.

The parties further warrant that each of the warranties set out in this clause 10 is true and correct in every respect as at the date of this letter agreement and will continue to be so at all times up to allotment of the Placement Shares.

11. No Gryphon Prescribed Occurrence under Scheme Implementation Agreement

The Subscriber acknowledges that the entry into this letter agreement by the Company and the performance by the Company of its obligations under this letter agreement does not constitute a “Gryphon Prescribed Occurrence” pursuant to and as defined in the Scheme Implementation Agreement entered into between the Subscriber and the Company on or about 20 June 2016 (**Scheme Implementation Agreement**).

12. Governing Law and Jurisdiction

This letter agreement is governed by and is to be construed according to the laws of Western Australia and the parties irrevocably submit to and accept generally and unconditionally the non-exclusive jurisdiction of the courts of Western Australia with respect to any legal action or proceedings relating to this letter agreement.

13. Entire Agreement

The terms contained in this letter agreement constitute the sole and entire agreement between the Company and the Subscriber in relation to the Placement and contains all of the representations, warranties, undertakings and agreements therein, provided that nothing in this Agreement shall in anyway vary or amend the representation, warranties or covenants of the Company set forth in the Scheme Implementation Agreement. Any variation of the terms of this letter agreement must be in writing signed by the Company and the Subscriber.

14. Notices

Any notice to be given relating to the Placement Shares may be sent by email to the email address of the party to whom the notice is sent and will be deemed to have been given upon the receipt of the email in readable form to that email address.

DATED 19 July 2016

Executed by **Teranga Gold Corporation** in accordance with its constituent documents and the laws of its country of incorporation

[Signed “Richard Young”]

.....
Signature of director

RICHARD YOUNG

.....
Name of director (print)

Executed by **Gryphon Minerals Limited**
ABN 31 107 690 657 with s127 of the
Corporations Act 2001:

[Signed "Stephen Andrew Parsons"]

[Signed "Norman Mel Ashton"]

.....
Signature of director

.....
Signature of director/company secretary

STEPHEN ANDREW PARSONS

NORMAN MEL ASHTON

.....
Name of director (print)

.....
Name of director/company secretary (print)