



FAST FACTS

Capital Structure
Shares on issue 300 million
Market Cap A\$600 million
Cash in bank A\$50 million (June 11)

CORPORATE DIRECTORY

Mel Ashton
Non-Executive Chairman
Stephen Parsons
Managing Director
Didier Murcia
Non-Executive Director
Steven Zaninovich
Non-Executive Director
David Netherway
Non-Executive Director

Matthew Bowles
Chief Development Officer
Brett Dunnachie
Company Secretary
Michael Fox
Exploration Manager Africa

COMPANY HIGHLIGHTS

- New +Million oz gold discovery
- Emerging new gold district
- Aggressive exploration
- Big hitting shareholders
- Proven Management team

Banfora Gold Project, West Africa

- 29Mt @ 2.1g/t for 2,000,000oz gold
- less than 100 metres depth & open
- Over 120km of highly prospective regional shear zones,
- 20 high priority targets for testing

Mauritanian Projects West Africa

Tijirit Gold Projects (1,400km²)
Adjacent to Kinross's Tasiast gold mine

Strategic Holdings

Renaissance Minerals (ASX:RNS)
(16%) Australian gold explorer

Tawana Resources NL (ASX: TAW)
(12%) African focused explorer

CONTACT DETAILS

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ASX/S&P 200
Company



ASX Announcement and Media Release
Thursday, 28 July 2011

Quarterly Report

For the period ended 30 June 2011

Highlights

▪ Banfora Gold Project - Burkina Faso, West Africa

- Ongoing step out, infill and down dip RC & DD drilling at the Nogbele gold deposit has intersected further significant gold mineralisation including:
 - 8m @ 38.75g/t gold from 68m
 - 5m @ 17.41g/t gold from 23m
 - 3m @ 14.12g/t gold from 79m
 - 2m @ 19.09g/t gold from 71m
 - 4m @ 9.08g/t gold from 70m
 - 11m @ 4.70g/t gold from 77m
 - 18m @ 2.24g/t gold from 73m
- Majority of mineralization is shallow (<100 metres vertical depth) and remains open along strike and down dip.
- Several new high grade zones at Nogbele have been identified and will now be targeted over the coming months.
- An aggressive \$30 million exploration programme is currently underway to establish a multi-million ounce gold district at the Banfora Gold Project.
- 20 high priority targets across 120 kilometres of highly prospective regional shear zones to be drill tested in 2011/2012.
- Engineering studies underway at the Banfora Gold Project.

▪ Tijirit Gold Project - Mauritania, West Africa

- Initial first pass structural and geological diamond drilling has been completed at the Tijirit Project, results are pending.

▪ Corporate

- Current cash position **\$50.4 million.**
- The company recently presented to a number of institutional investors based in London, North America and Australia.
- Commonwealth Bank of Australia becomes a substantial holder (5.10%).



Introduction

Operations - Burkina Faso

Gryphon was pleased to announce further drilling results from ongoing RC and diamond drilling at the Nogbele Deposit, at the Company's flagship Banfora Gold Project in Burkina Faso, West Africa. The drill results were released in early July following the completion of an extensive infill, step out and down dip drill campaign.

Engineering studies at Banfora Gold Project have also commenced with initial findings expected in the near term.

The Company believes that the drill results released to date confirm the potential for the Banfora Gold Project to host world class gold mineralization similar to other major deposits in West Africa.

Operations - Mauritania

Exploration work continues in Mauritania, initial structural and geological diamond drilling has been completed at the Tijirit Gold Project, adjacent to Kinross' Tasiast Gold Mine (19Moz). Geological interpretation is now underway and the diamond core has been sent for assaying. Results are pending and will be released to the market at the earliest opportunity. Phase Two exploration drilling at the Tijirit Gold Project, targeting gold, will commence immediately after the Ramadan period.

Corporate

The Company has a current cash position of \$50.4 million. The Company recently presented to a number of institutional investors based in London, North America and Australia and continues to expand Gryphon's international profile as a world class gold exploration company.

Background: Banfora Gold Project - Burkina Faso, West Africa

The Banfora Gold Project is located in the south-west of Burkina Faso, West Africa in a major gold producing district, host to such world class gold deposits as **Tongon** (4.2Moz) **Syama** (5 Million oz Au mined & 6.5 Million oz Au in resources) and **Morila** (6.5Moz).

The project is **owned 100% by Gryphon Minerals** and contains continuous exploration licenses covering approximately 1200km² of a major gold district. The project is easily accessible by road and in close proximity to the town of Banfora and the major city of Bobo Diolasso. Grid power is located approximately 30km from the eastern boundary of the project. The Company recently announced an inferred resource at the Banfora Project of **29Mt @ 2.1g/t for 2,000,000oz** of gold of which the **majority is shallow and above 100 metres depth**. This latest resource update is an interim estimation with significant potential to define further ounces as the company establishes a multi-million ounce gold district in West Africa through an aggressive on-going drilling programme. (Refer to ASX release 31/03/2011 for details).

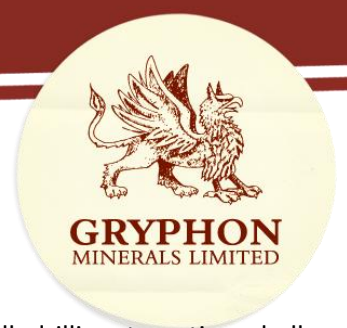
Regionally within the **1,200km² project area** there remain numerous untested high priority targets which the Company will be targeting during 2011/12.

The Company believes that drill results to date confirm the potential for the Banfora Gold Project to host world class gold mineralisation similar to other major deposits in West Africa.

Activities during the June Quarter

During the Period the Company continued RC/DD drilling targeting shallow gold mineralisation (~100 meters vertical depth) at Samavogo and Nogbele. In early July Gryphon was pleased to announce further drilling results from ongoing RC and diamond drilling at the Nogbele Deposit including:

- **8m @ 38.75g/t** gold from **68m**
- **5m @ 17.41g/t** gold from **23m**
- **3m @ 14.12g/t** gold from **79m**
- **2m @ 19.09g/t** gold from **71m**
- **4m @ 9.08g/t** gold from **70m**
- **11m @ 4.70g/t** gold from **77m**
- **18m @ 2.24g/t** gold from **73m**



These latest drilling results are from Reverse Circulation and Diamond step out and infill drilling targeting shallow mineralisation as well as higher grade down dip extensions from multiple zones at the northern portion of the Nogbele Gold Deposit. The drill result of 8m @ 38.75g/t from 68 metres down hole is one of the highest gram metre intercepts to date on the Banfora Gold Project. The majority of these latest drill intersections are typically less than 100 metres vertical depth. Mineralisation at the Nogbele gold deposit outcrops from surface and continues to be open along strike and down dip demanding further ongoing drilling.

Mineralisation at Nogbele consists of multiple parallel and sub-parallel zones of broad hematite and / or magnetite, silica and pyritic alteration, sericitic schist's and lode quartz veins that dip between "flat" and 60 degrees to the north, "wrapping" around the "nose" of the Nogbele granodiorite into the surrounding sediments and mafic units. Mineralisation is associated with major extensional zones around the northern margin of the Nogbele granitoid intrusive in a similar geological setting to Randgold's 4.2 Million oz Tongon Gold Deposit located approximately 30km to the south of Banfora Gold Project.

Gryphon Minerals Managing Director, Steve Parsons commented at the time of the drilling results release, *"These are excellent results that demonstrate near surface, high grade mineralization continues north at the Nogbele deposit. The result 8m @ 38.75g/t gold from 68 metres is one of the highest gram intercepts to date at the Banfora Gold Project. With resource drilling continuing at the Nogbele deposit as well as the satellite Fourkoura and Samavogo deposits, plus multiple priority regional targets being followed up in an aggressive exploration programme, we expect further and significant growth over the next 12 months."*

Approximately 600,000 metres of drilling is planned over the next 12 months as part of an aggressive A\$30 million exploration programme to establish a multi-million ounce gold district at the Banfora Gold Project

Tijirit Gold Project (100%) - Mauritania, West Africa

Background

The Tijirit Gold Project is located in the north-west of Mauritania, West Africa in a highly prospective and underexplored gold district that hosts the world class gold Tasiast (+19Moz) deposits.

The project is owned 100% by Gryphon Minerals and contains continuous exploration licenses covering approximately 1,460km² of a highly prospective and underexplored gold district. The project is easily accessible by road and only 300kms from the capital of Nouakchott.

Historical, first pass historical drilling results included: **6m @ 17.63g/t Au** from 10m, **6m @ 10.47g/t Au** from 16m and **2m @ 24.90g/t Au** from 56m. The majority of the Project has been drilled to less than 50m vertical depth, intersecting major mineralised zones over 150m wide.

Activities for the June Quarter

During the quarter the Company completed its first pass diamond drill programme based on aeromagnetic, structural and geological studies targeting fresh rock on the project area. Structural and geological interpretation continues and diamond core has been sent for assaying. Results of the targeting and geological interpretations as well as drill results will be announced at the earliest opportunity. Phase Two exploration drilling will commence immediately after the Ramadan period.

Akjoujt Copper/Gold Project (100%) - Mauritania, West Africa

The Akjoujt Copper Gold Project is owned 100% by Gryphon Minerals and the permits cover approximately 750km² of ground located 30km west of the Guelb Moghrein gold/copper mine operated by First Quantum Minerals Ltd. The Guelb Moghrein mineralisation is classified as an Iron Oxide Copper Gold (IOCG) deposit and has characteristic carbonate and magnetite alternation signature.



Activities for the June Quarter

During the quarter the Company continued preparations for diamond drilling, following up on soil geochemical sampling, geological mapping completed during the previous quarter.

Saboussiri Gold/Copper Project (60%JV) - Mauritania, West Africa

The Saboussiri Gold/Copper Project permit covers approximately 1,000km² of ground in the southern Mauritanides close to the border with Senegal. A number of copper prospects have been identified on the property including a drill ready copper/gold target at Diaguili together with a strong gold anomaly at Toumbou.

Activities for the June Quarter

No activities for the quarter.

Project Generation

During the quarter Gryphon Minerals continued to identify and review additional mineral projects in West Africa, which may offer value enhancing opportunities to Shareholders.

Detailed information on all aspects of Gryphon Minerals projects can be found on the Company's comprehensive website www.gryphonminerals.com.au

Yours faithfully

Steve Parsons
Managing Director

Information in this report from data collection to wireframe interpretation, at Nogbele, Fourkoura and Samavogo Prospects and geostatistical modelling calculations is based on work by Mr Sam Brooks which was reviewed by Mr Michael Fox. Mr Brooks is a full time employee of Gryphon Minerals, and a member of the AIG. Mr Fox is a full time employee of Gryphon Minerals and a member of the AIG with sufficient experience relevant to the style of mineralisation and type of deposit to qualify as competent person defined by the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Fox consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Stephen Parsons, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Stephen Parsons is a full-time employee of the company. Mr Stephen Parsons has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stephen Parsons consents to his inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

GRYPHON MINERALS LIMITED

ABN

31 107 690 657

Quarter ended ("current quarter")

30 June 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(5,765)	(18,892)
(b) development	-	-
(c) production	-	-
(d) administration	(1,373)	(6,205)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	708	2,385
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(6,430)	(22,712)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(913)	(1,925)
(c) other fixed assets	(49)	(320)
(d) net cash acquired on acq. of subsidiary	-	4,333
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(962)	2,088
1.13 Total operating and investing cash flows (carried forward)	(7,392)	(20,624)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(7,392)	(20,624)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	136	54,453
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs of issuing shares	(3)	(2,744)
	Net financing cash flows	133	51,709
	Net increase (decrease) in cash held	(7,259)	31,085
1.20	Cash at beginning of quarter/year to date	57,683	19,339
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	50,424	50,424

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	389
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments to Directors Salaries, Fees and Superannuation	332
Payments to Director related entities Allos Group Pty Ltd (Rent for Premises)	57

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

Nil.

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	10,143
4.2 Development	-
4.3 Production	-
4.4 Administration	984
Total	11,127

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	6,337	10,673
5.2 Deposits at call	44,087	47,010
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	50,424	57,683

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil		-	-
6.2 Interests in mining tenements acquired or increased	Nil		-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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 securities (description)	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	299,922,058	299,922,058		
7.4 Changes during quarter				
(a) Increases through issues	100,000 250,000	100,000 250,000	48.0 cents 35.0 cents	48.0 cents 35.0 cents
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (description and conversion factor)	200,000 100,000 5,150,000 8,500,000 400,000 500,000	- - - - - -	Exercise price 48.0 cents 69.0 cents 180.0 cents 180.0 cents 220.0 cents 190.0 cents	Expiry date 16 Oct 2011 1 Apr 2012 10 Oct 2013 24 Nov 2013 18 Jan 2014 23 May 2014
7.8 Issued during quarter	400,000 500,000	- -	220.0 cents 190.0 cents	18 Jan 2014 23 May 2014
7.9 Exercised during quarter	100,000 250,000	100,000 250,000	48.0 cents 35.0 cents	16 Oct 2011 11 Jun 2011
7.1 Expired during quarter 0	-	-	-	-
7.1 Debentures 1 (totals only)	-	-		
7.1 Unsecured notes 2 (totals only)	-	-		

+ See chapter 19 for defined terms.

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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 28 July 2011
(Company Secretary)

Print name: Brett Dunnachie

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 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, 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: Cash Flow Statements* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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