



Gryphon Gold Unveils Mine Development Plan

By Alan Fein

Oct 27, 2010 (AXcess News) New York - Gryphon Gold Corp. (TSX: GGN; OTCBB: GYPH) revealed its long-awaited mine development plan that will put its Mineral County Nevada Borealis Property on a fast-track pace of production, reaching positive cash flow four months after construction of its heap leach pad. The Company also gave its first-ever Outlook

towards revenue that would rank the Nevada mining company sixth against its peers in annual ounces mined, once the mine was in full production.

Gryphon unveiled a [detailed power point presentation](#) this week that shows the Nevada gold miner generating \$7.2 million in revenue 8 months from the date of construction of its heap leach pad, giving four months to complete it and turn on production. The Company's [revised 43-101 report](#) from September 2009, which the figures are compiled from, shows a cost of production of \$475 per ounce. While the development may seem to be a fast pace, Gryphon has spent more than four years and again as much capital obtaining all the necessary permits to operate the mine. Now that its regulatory path is for the most part behind it, Gryphon Gold is looking to first rework existing dump sites and low-grade material the previous operator left when it became unprofitable to operate when the price of gold was \$250 an ounce. With current prices exceeding \$1300 per ounce, those same deposits are now worth a small fortune.

Plans call for a two phased mine development that ramps up to an annual gold bullion production rate of 50,000 ounces of gold. Gryphon Gold was featured in an [AXcess News story](#) on September 10th which notes that the Company would rank 6th out of 12 producing gold mines in the State of Nevada once in full production, and now it appears Gryphon Gold is going to make the leap from a junior exploration company to a full-fledged producer, as that article revealed. It would be the first junior gold mining company in over two years to move up to becoming a producing company.

Gryphon Gold disclosed that it would move up to \$22 million in production in 18 months while its recover rate climbs to 75% over the 40% rate expected in processing the old dump sites in phase one. Plans call for doubling the capacity of the leach pad while installing a carbon column system to improve recovery rates.

The Company expects to recover 250,000 ounces of gold over a 7-year period which would generate \$300 million in revenue at an average price of \$1200 per ounce, though Gryphon Gold indicates that it plans to expand its 2.5 million ounces in reserves, having identified 12 targets within the permitted area alone, three East of the permitted project area and two West of the permitted area.

Gryphon is concentrating its efforts within a square mile area of its Borealis property, though geologically the trends are running parallel across its entire 23.5 mile area which could greatly increase reserves over time, though with \$300 million in projected revenue, the now junior gold producer can well afford expansion.